

**How Time Ran
out for HMT**



Three HMT firms are amongst five that the government has decided to shut down, but there may be at least 60 more sick Central PSUs that deserve the same fate **p.08**

THE ECONOMIC TIMES

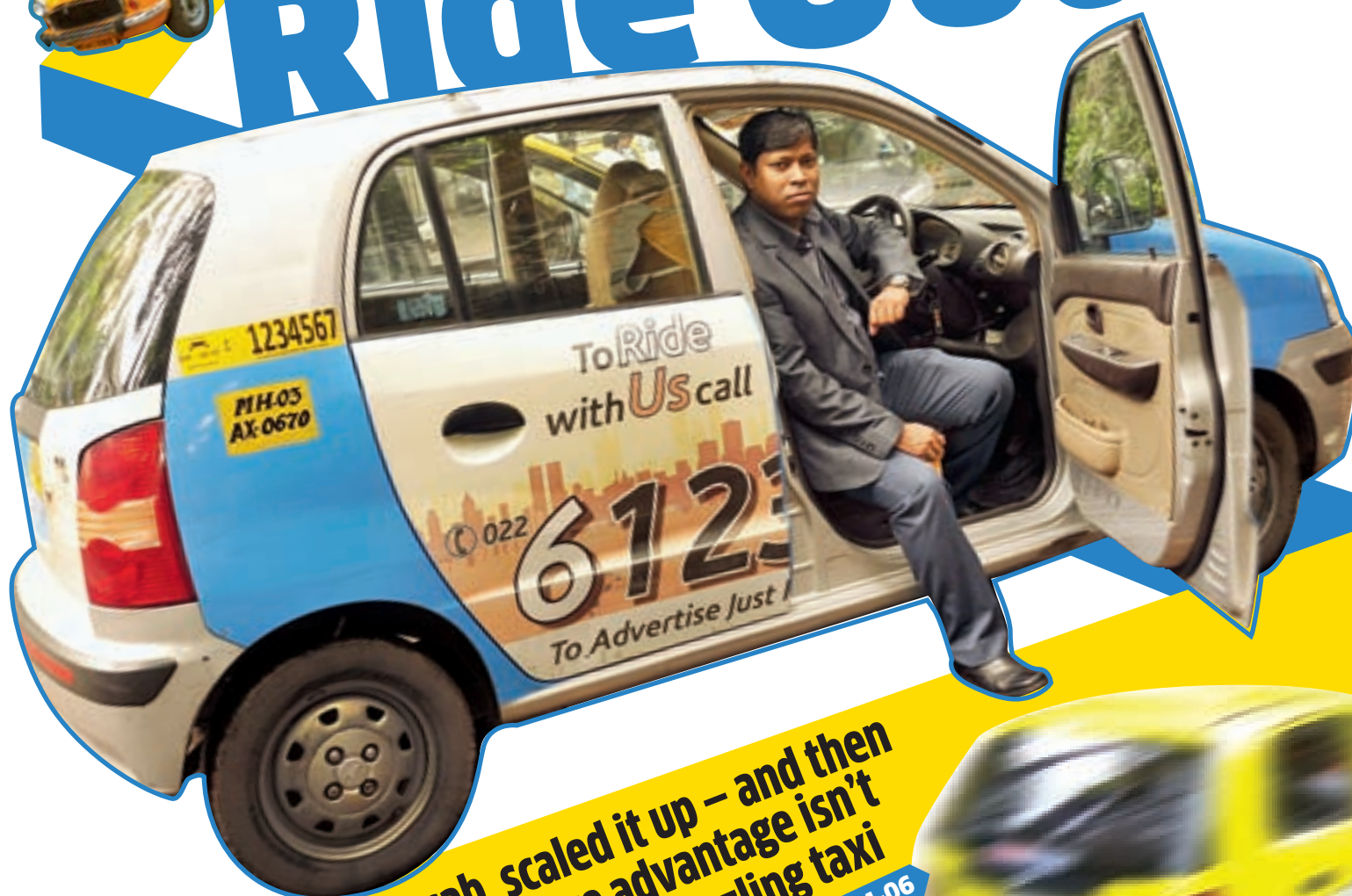
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Why Avinash Gupta Booked a Ride Out

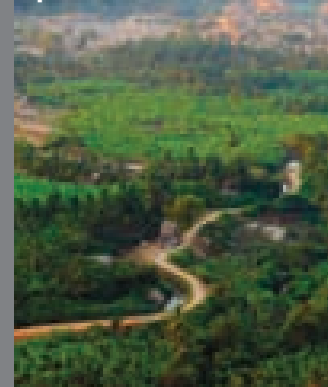


He founded Bookmycab, scaled it up – and then realised that a competitive advantage isn't enough in the funds-guzzling taxi aggregation business **p.04-06**



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India's Lesser known Demographic Dividend: 100 Million Seniors, and Counting **p.20**

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Is the Naga Accord a Real Dawn? **p.26**

When a Live Terrorist is Worth Several Dead Ones **p.03**

Two Arrested for Allegedly Aiding LeT Terrorist

Srinagar/New Delhi: At least two persons have been arrested and three others detained for allegedly helping Mohammed Naved Yakub, a Pakistani terrorist of Lashkar-e-Taiba (LeT), who had ambushed a BSF



convoy near Udhampur on Wednesday, killing two constables.

Official sources said the first of the two persons arrested was a truck driver

who drove the terrorists to Samrol in Udhampur from Kulgam and the other one was a bakery owner at Pulwama, who is alleged to be an overground worker of Lashkar-e-Taiba.

National Investigation Agency, which is investigating the case as per directions of the Union home ministry, has placed a team of its officers led by Inspector General SK Singh in Srinagar. A case under Unlawful Activities (Prevention) Act, Arms Act and various sections of Indian Penal Code has been registered against Naved and his accomplice who has been identified as Noman. Noman was killed in retaliatory firing.

After undergoing training in two different modules with LeT terror group, Naved along with three others entered into India through Baramulla in north Kashmir. Naved has confessed that he had stayed at Tangmarg and Baba Reshi and shifted their base to Awantipura-Pulwama in south Kashmir where he remained inside a cave.

— PTI

Technical Snag in IndiGo Flight

Mumbai: A Mumbai-Delhi IndiGo flight was forced to return barely 15 minutes after take-off due to a technical snag on Saturday morning, an airport official said here. All 150 passengers and crew aboard flight 6E-178 were reported safe.

Though IndiGo officials were not available for comment, reports said a suspected leakage in the fuel system compelled the aircraft to turn back to Mumbai.

— IANS



An Afghan man cries as he searches for his relatives near Camp Integrity, a base housing US special forces that was attacked by militants, in Kabul on Saturday. Multiple bombings rocked Kabul on Friday, killing at least 36 people in the deadliest day since the end of the NATO combat mission in December. — AFP

Foxconn to Make in India, Inks Pact with M'rashttra

Foxconn, the world's largest electronics contract manufacturer, has signed a pact with Maharashtra to invest \$5 billion (₹32,000 crore) over five years in a new electronic manufacturing facility, which is slated to come up between Mumbai and Pune.

Speaking to the media after signing the pact with Maharashtra chief minister Devendra Fadnavis, founder Terry Gou said that Foxconn plans to set up a large scale manufacturing base in the state and bring the entire supply chain here.

Maharashtra will be Foxconn's base from where it will diversify into other states, which is part of a 10-year expansion plan, Gou said. The Taiwanese company also plans to make India Foxconn's largest IT hub, and will also build data centres in the country.

Fadnavis said the company has been looking to acquire 1,500 acres for a plant between Mumbai and Pune, but they haven't finalised the location yet. Foxconn will aim to provide 50,000 jobs for the facility in Maharashtra.



Gou and the MoU

● Foxconn to set up large-scale manufacturing base, and bring the entire supply chain; won't be just an assembler
 ● Phase I will be Make in India: Will include manufacture of key electronic components and transfer of technology
 ● Phase II will be Skill in India: Will work with local partners to build a supply chain

Besides manufacturing, Gou said this facility will focus on R&D, availability of software and hardware integration facilities, as well as skilled talent.

"Phase I is Make in India, in which we will be manufacturing key electronic components, transferring technology to India during this stage," says Gou. "In the second phase – Skill India – we will work with local partners to build a supply chain here. Automation and testing labs is all part of this." Gou maintained that he could not disclose the products that are to be assembled in the facility.

A few days back in New Delhi, he had said that the maker of Apple iPhones will make mobile devices, TVs, electronic products, among others, which could make it the biggest foreign investor in the government's Make in India programme. Foxconn also plans to create exchange programmes for 300-1,000 Indian engineering students, Gou said.

In the next 10 years, Foxconn plans to have a facility present in every state.

— Our Bureau/Mumbai

New Guv for Bihar and HP; Nitish says Not Consulted

New Delhi: President Pranab Mukherjee on Saturday appointed senior BJP leader Ram Nath Kovind and Acharya Dev Vrat as governors of poll-bound Bihar and Himachal Pradesh, respectively. While Bihar is going for polls later this year, Himachal Pradesh's additional charge was with Kalyan Singh.

Sixty-nine year-old Kovind, who had been a two-time Rajya Sabha member between 1994 and 2006, hails from Kanpur in Uttar Pradesh. West Bengal governor Keshari Nath Tripathi was holding additional charge of Bihar.

However, Bihar chief minister Nitish Kumar voiced his displeasure over the appointment of Kovind without consulting him, saying he got the information through media. "As per the precedent so far, the Central government, the home minister, talks to the state government, its chief minister on it (appointment of governor)..." This time there is no consultation," Kumar told reporters.

The appointments will take effect from the dates the incumbents assume charge of their respective offices.

— Our Bureau/PTI

Naga Pact in NE's Interest: Rijiju

Guwahati: Union minister of state for home Kiren Rijiju on Saturday ruled out the apprehension that the framework agreement between the government of India and militant outfit NSCN-IM will bypass the interests of north-eastern states that share a border with Nagaland. Rijiju who was in Guwahati on Saturday expressed displeasure over the stand of the three chief ministers of Assam, Arunachal Pradesh and Manipur, who have stated that they were not consulted by the Centre on the Naga deal, adding that they were doing so on the direction of Sonia Gandhi. He added that the peace accord will help improve the security scenario in the region further.

— Our Bureau

I'd Toss out Six US Supreme Court Justices If I Could: Bobby Jindal

Washington: Annoyed with Supreme Court rulings on Obamacare and same sex marriages, Republican presidential aspirant Bobby Jindal has said if given a chance he would toss out half-a-dozen judges of the apex court, including two nominated by presidents George W Bush and Ronald Reagan.

The recent 5-4 ruling in favour of same-sex marriage and 6-3 ruling in favour of Obamacare subsidies have sparked a conservative

backlash against the Supreme Court, including from Jindal, who said the court appears to be more interested in following public opinion polls than abiding by the Constitution.

Since announcing his candidacy in June, the 44-year-old Indian-American Louisiana governor has suggested that the nation could save some money by shuttering the court.



"Hillary Clinton didn't like that answer," Jindal said at the RedState Gathering in Atlanta on Friday. "She thought that was extreme, so I have a compromise: instead of getting rid of the entire Supreme Court, what if we got rid of about two-thirds," Jindal was quoted as saying by Washington Times. "I mean there are three justices that got it right. I wouldn't

mind keeping Samuel Alito, Clarence Thomas and Antonin Scalia. It is the other six I wouldn't mind getting rid of," he added.

The six members he wants to remove include chief justice John G Roberts Jr, nominated by Bush, and Anthony M Kennedy, nominated by Reagan.

Roberts and Kennedy ruled in favour of the Obamacare subsidies. Kennedy also supported the same-sex marriage ruling. — PTI

The Smoking Gun

Why a live terrorist in hand – even a lowly foot soldier – is worth several dead ones

:: Sreeram Chaulia

The capture of a Pakistani terrorist, identified as Mohammad Naved, during an attack in Jammu & Kashmir's Udhampur district is a significant catch that will aid India's cause of combating the cross-border menace which has harmed our security for decades.

Thanks to the alertness of Village Defence Committee (VDC) members who subdued Naved by braving mortal danger, we now have a card that holds numerous political and intelligence benefits.

Like Ajmal Kasab – the only Pakistani gunman arrested alive in the course of the 26/11 terror attacks in Mumbai by virtue of the sacrifices of local cops – Naved is a rare smoking gun who helps strengthen India's case internationally and further ostracise Pakistan for its serial misbehaviour as an exporter of religious extremism and hatred.

After being nabbed red-handed, Naved's spontaneous remarks about his mission to massacre people of one religious community and the "enjoyment" he derives from it exemplify how the jihadist industry in Pakistan is misleading thousands of young men to turn into dehumanised and mechanical killing machines.

Grounds for Retaliation

Although Pakistan's notorious "jihad culture" has long been exposed and widely condemned, living and breathing executors of this deadly threat like Naved and Kasab are advantageous for India to galvanise global public opinion and gain diplomatic endorsement for overt and covert counterterrorism responses.

Suppose there were actions on Pakistani soil against jihadists or strategic setbacks to their handlers in the military, the world will understand better after seeing the spectacle of Naved crowing. The reservoir of international goodwill we have built up over the years by patiently stitching foolproof evidence of the Pakistani hand in terrorism against India is an enormous intangible asset as we aim to raise the costs of this jihad.

For those lamenting that we have a soft state quietly absorbing blow after blow via what Pakistan's military dictator General Zia ul Haq described as "a thousand cuts to bleed India", it is necessary to recall how former prime minister Indira Gandhi crafted a conducive international ambience favouring our position before proceeding to dismember Pakistan in the liberation war for Bangladesh in 1971.

The ground needs to be laid for us to retaliate, and having a Naved or a Kasab on trial is valuable in this context. As a responsible actor in the international community that believes in due process, India has to pile up the docket against



Prized detainees like Naved can throw light on the modus operandi of their recruitment and preparations, their battlefield tactics and their social circumstances

Pakistan-sponsored terrorism so that there is no false equivalence between the two countries and we have a freer hand when we choose the time and place to unleash deterrents. When a disreputable wrecker's home is wrecked, he will hardly find sympathisers or allies within society.

Predictably, Islamabad is denying that Naved is a Pakistani citizen and cynically demanding more and more "proof" from New Delhi. But disowning

Kasab became progressively less tenable and the truth was confirmed in the minds of most Pakistani citizens that Kasab was a product of their military establishment's jihad factories.

The denial syndrome through which Pakistan's generals and spymasters have tried to shield their people's attention from state-organised criminality is already wearing thin after the shock discovery that Osama bin Laden was hiding in close proximity to the Pakistani military for over five years before he was detected and assassinated by the Americans.

Adopting Countermeasures

The deliberate failure of Pakistan's amply-funded and stocked military to vanquish jihadists and sectarian terrorists strutting around with impunity inside Pakistan also reminds

Pakistani people willing to accept reality that there is a massive crisis of collusion and unwillingness on the part of their security elites to forsake terrorism.

India will surely not wait for the day until Pakistan's citizens rise up in revolt against their venal army and democratise their country. But prized detainees like Naved and Kasab help to divide the field and soften the ground inside Pakistan for India to take countermeasures.

There are doubts about the value of the intelligence inputs India can obtain from lowly foot soldiers like Naved when he "sings" during interrogation. Arresting and holding terrorists in jail may or may not assist in detecting and foiling upcoming plots, especially in decentralised jihadist organisations where one cell does not have an inkling about what other cells are up to.

However, these detainees can throw light on the locations where they are trained, their immediate minders, the modus operandi of their recruitment and preparations, their battlefield tactics and their social circumstances. We cannot defeat the terrorism emanating from Pakistan in the absence of granular knowledge of the latest techniques and tricks of the trade that even spies cannot deliver.

A live terrorist in hand is worth several dead ones. This was the reasoning behind our unsuccessful attempt to wear out Pakistani jihadists and seize at least one of them alive when they struck in Gurdaspur. In Udhampur, we have been fortunate. Prosecuting Mohammad Naved, who sounds blasé about mowing down civilians in the name of God, is integral to our goal of rolling back the holy war being waged against us. ■



The writer is a professor and dean at the Jindal School of International Affairs

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Tablet, Mobile

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com

AUGUST 09-15, 2015



Why Avinash Gupta Booked a Ride Out



:: Suman Layak

The ride of taxi-aggregator service Bookmycab started a decade ago, at midnight in a hostel room at IIT-Bombay. Avinash Gupta, an MTech student in industrial engineering and operations research, was not able to sleep. What kept him awake that night in mid-2005 wasn't a hot idea or roaring ambition but a loud noise from somewhere close by. Gupta walked out of his room to investigate. For a 24-year old from Jalley village near Darbhanga in north of Bihar, the IIT hostel was a lap of luxury. The noise was unusual and, as Gupta walked down the corridor in semi-darkness, the room that was the source of the din became clear. He banged on the door with violent intentions. Kiran Sebastian, who opened it, had a drumstick in each hand. He had been playing the drums on his table. Sebastian was a sailor, who had come to IIT-Bombay for an MBA (at the Shailesh J Mehta School of Management); he had been unable to sleep too and decided drumbeats were a good idea to deal with boredom.

Before Gupta could vent his feelings, Sebastian invited him in, sat him down and offered him some banana chips. Warning Gupta that he may not like the coconut oil flavour, Sebastian still insisted he have some. The ice soon broke, and the two men started talking about their lives and goals over the coconut-oil fried chips. Gupta spoke about becoming an entrepreneur some day; Sebastian said why not now! The conversation veered to capital and Sebastian

He founded Bookmycab and scaled it up, only to realise that a competitive advantage isn't enough in the funds-guzzling taxi-aggregation business

GUPTA'S 10-YEAR JOURNEY...

2005

Starts AVN Marketing with ₹1 lakh seed capital within IIT Mumbai to import digital cameras from Taiwan and sell locally



2005



Business gets suspended after a professor asks Gupta to choose between IIT degree and the venture

2010

Revives the startup as **Liveminds Solutions** and applies for a call-taxi operator licence in Mumbai

2012

Gets letter of intent from Maharashtra government for starting call-taxi service; Gupta quits job at FT and starts Mumbai operations of Bookmycab



NOV 2014

Bookmycab starts operations in Kolkata

SEPT 2014

2012

First angel round of investments with Mumbai Angels and YourNest Angel Fund of

₹2.5 CRORE



DEC 2014

A consortium led by early-stage investor Contrarian Drishti brings in another

₹4 CRORE

JULY 2015

Bookmycab gets operating licence in Delhi, ahead of Ola and Uber

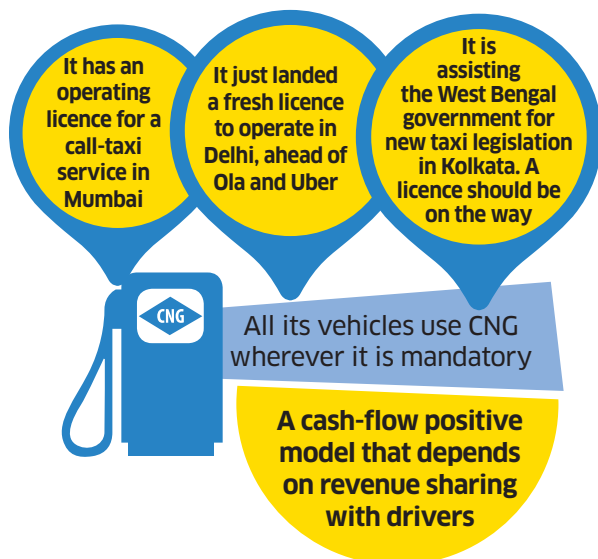


Jugnoo.com buys Bookmycab in a cash-plus-stock deal at an undisclosed valuation; likely to be between \$5 million and \$10 million

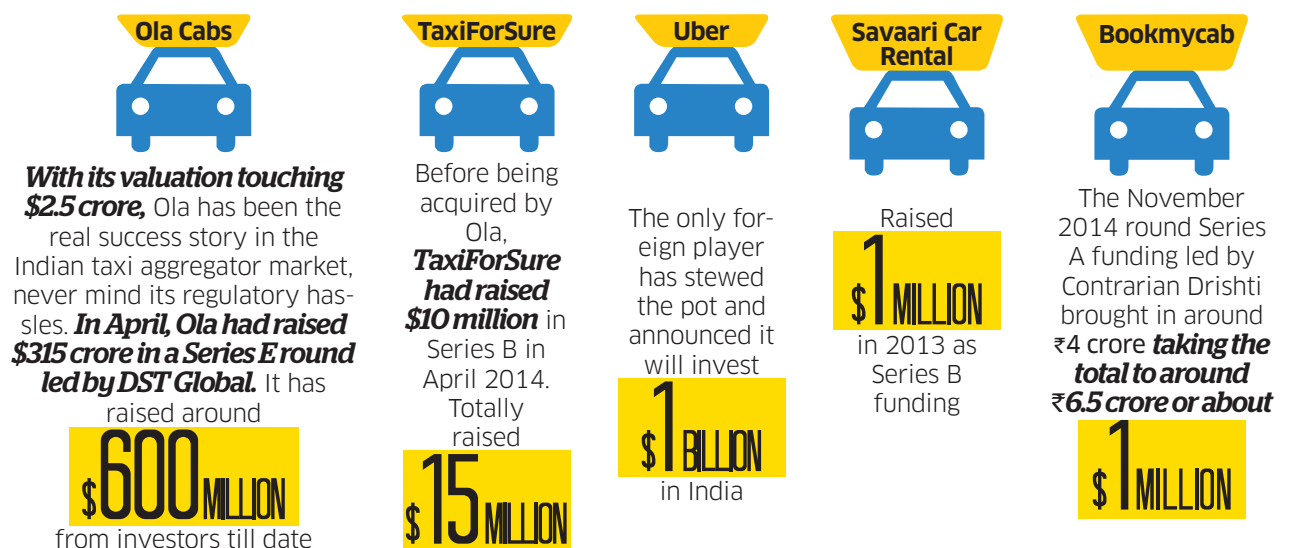


Bookmycab acquires Hyderabad-based taxi aggregator **CabonClick**

WHAT BOOKMYCAB HAD THAT ITS RIVALS DIDN'T...



...BUT ITS FUNDING PALES IN COMPARISON WITH OLA'S AND UBER'S FINANCIAL MUSCLE



promptly offered to fund him. A young sailor's savings were more than enough for the ₹1 lakh that Gupta needed. The venture, AVN Marketing, was the same company that would later metamorphose into Bookmycab, which has now been sold to hyperlocal delivery startup Jugnoo.com. This is the story of how it all started, and why it had to end with Gupta selling the company at a time when things were looking up.

An Easy Choice

Back in 2005, AVN imported 3-megapixel digital cameras from Taiwan at around ₹3,500 a piece and offered them to local retail chains like Kohinoor and Lifestyle at ₹4,500, which sold them at a similar markup. At the time it was way below the market price of a digital camera in India (roughly ₹15,000). This arbitrage was a one-year opportunity. At first all went well and AVN recouped its investments. But when Gupta's teacher N Hemchandra learnt about AVN, he asked the young entrepreneur to choose between running his company and completing his education. The choice was easy for Gupta; he shut the AVN shop. His own humble beginnings and an existing SBI loan for funding his study at the IIT were enough reason to.

Gupta turned entrepreneur again, but this time only when he had work experience under his belt. Fast forward to 2010, when Gupta rechristened AVN to Liveminds Solutions and, two years later, applied for a call-taxi licence in Mumbai and started operations.

Between 2005 and 2010, Gupta did what most ordinary mortals do. In 2006, he took up a job with the Jignesh Shah-promoted Financial Technologies (FT) after completing his MTech. At FT, he worked on a project for the Financial Services Commission of Mauritius that so impressed his bosses they decided to pitch the same solution to the RBI in 2007 and later to the Central Bank of Bahrain. In 2009, after a successful presentation in Bahrain's capital Manama, Gupta who was running a fever right through the trip informed his bosses of his decision to quit. FT retained him to have him on board the Bahrain project but allowed him to work on his own venture till 2012.

As with AVN, Gupta's backer for Liveminds was once again Sebastian. Gupta teamed up with friend-cum-mentor Raviraj Jain and a senior professional in transport business, JS Nimbalkar, who aggregated trucks in his heyday. This was Jain's second association with a startup; it was brief with him leaving in 2011 for an MBA at Harvard. If Jain was cofounder, he would also years later play a key – if not conscious – role in Gupta selling Bookmycab to Jugnoo; after all, Jain is the man who introduced Gupta to Jugnoo promoter Samar Singla in 2014. But to wade into that deal right away would be getting ahead of the story.

Romance and (ad)venture

Besides Sebastian's funding of ₹2 lakh, Gupta put in some of his own savings, and borrowed around ₹50 lakh, part of it against his wife Anuja's jewellery. Gupta's marriage with Anuja was an arranged alliance. He had travelled to Patna for a family function and Anuja, who was studying in Chhapra at the time, travelled to Patna for the 'arranged' meet. Instead of a romantic pitch, Gupta presented his business ideas to Anuja and asked her to work with him. She agreed, and later that year the two were married. Anuja was soon a copromoter. In 2011, a daughter, Medhavi was born. "There is a first-time-lucky thing about me. Sebastian was one I won over in our first meeting. The same happened with Anuja," Gupta says with a shy smile.

If Gupta makes a first impression, it may be largely because of his unassuming demeanour. Imagine an entrepreneur in 2015 who does not own a car. "Driving is stressful, so is parking," he says. Bookmycab, the call-taxi service, operates from Apollo Industrial Estate, one of those old-world industrial zones in the eastern part of the suburb of Andheri in Mumbai, with a basement office that conforms to the description of boring. The estate itself is in transition and is a mix of the old and the new. For neighbours, Bookmycab has conveyor belt maker Maschinenfabrik on one side and a design hotshop

called Sarah Design Studio on the other. The lack of anything jazzy about the office perhaps also provides comfort to the taxi drivers who frequent it. Gupta claims his home is equally plain. He arrives for the interview in an autorickshaw and leaves in a cab booked on Bookmycab.

With angel investors too Avinash was first-time lucky in 2012. He swung an investment of ₹2.5 crore jointly from Mumbai Angels and YourNest Angel Fund in his first meeting with them. That investment helped begin the Bookmycab journey. A no-show by a cabbie one early morning and the resultant missed flight had set Gupta working on software to connect black-and-yellow taxis in a city to commuters. This software later became the Bookmycab app.

With money in the bag and a letter of intent from the Maharashtra government (which did some path-breaking work to allow the asset-light call-taxi model to work), Gupta set to work. On the first day and night, at a stretch, he moved across Mumbai's streets, talking to black-and-yellow taxi drivers. He explained his model and demonstrated the app to the drivers, meeting 125 drivers at different taxi stands across the city. Some 67 of the 125 signed up on Bookmycab. Gupta hired around five drivers, persuading them to work with his team. Bookmycab was on its way.

Gupta had company. IIT-Bombay batchmate Bhavish Aggarwal started Ola Cabs in 2011. Also in 2011, Aprameya Radhakrishna and Raghu-

nandan G started TaxiForSure (which Ola acquired earlier this year). Established radio cab service providers like Meru, TabCab (in Mumbai) and EasyCabs also turned aggregators. In 2013, San Francisco-headquartered ride-sharing company Uber entered the fray. The market would never be the same. Instead of taking the more predictable route of fare cuts, Uber

"Since we want to stay legal we had to move out to areas like auto rickshaws or hyperlocal delivery, which is one of the top three growth sectors"

Somak Ghosh, founder, Contrarian Drishti Partners



chose the cash-burning model of incentivising drivers for every ride. TaxiForSure and Ola tried to beat Uber at its own game, junking their cash-flow based models and working on raising more and more funds. (See ...But its Funding Pales...).

Gupta remembers September-October of 2014 as a nightmarish period. Bookmycab had launched a pre-paid model, where cabbies paid the company in advance. The game suddenly turned on its head. The competition was not only handing over smartphones to taxi drivers but also offering other incentives like LCD TVs and washing machines for completing a certain number of rides. Competition even tried to lure drivers away using unfair means; Gupta had to file police complaints.

Both Ola and Meru tried to buy out Bookmycab in 2013 and 2014. No deal was struck. Instead, in September 2014, Bookmycab launched services in Kolkata and then in November 2014 acquired Hyderabad-based CabonClick. Around November, in a round led by early-stage investors Contrarian Drishti Partners, Bookmycab raised around ₹4 crore, giving it some breathing space.

Another unexpected breather came in December 2014, when a Uber cab driver allegedly raped a 27-year old woman passenger; demand for police action resulted in a ban on

...AND ABOUT THE MAN

Avinash Gupta hails from village Jalley near Darbhanga in northern Bihar and **got on the fast track when selected to study at a Navodaya Vidyalaya when in Class VI**

After an agricultural engineering degree from Udaipur College of Engineering and Tech, **Gupta cracked IIT for his MTech**

While in IIT, Gupta found his first investor in Kiran Sebastian, a former sailor studying for his MBA and staying in the same hostel

In 2012, Gupta landed his first **angel funding from Mumbai Angels** in his very first meeting



WHAT RIDE PROVIDERS CLAIM

OLA

2.5 LAKH
registered cars100
cities7.5 LAKH
rides daily

TAXIFORSURE

20,000
registered cars, included
in Ola numbers

UBER

4% share of market
but numbers
not disclosed

MERU

20,000
registered cars7
citiesEASY CABS/
CARZONRENT10,000
cars across India4
cities

BOOKMYCAB

10,000
registered cars but
5,000
active cars in3
cities

“We Won’t Compete with Ola and Uber”

Samar Singla, founder and CEO of Jugnoo.com, spoke to ET Magazine’s Suman Layak on his business model and the acquisition of Bookmycab. Edited excerpts:

On the Bookmycab acquisition

For us, it is a team buy. Our focus area is autorickshaws and we see *kaali-peeli* taxis in Mumbai as an extension of that market. It brings us an experienced team in Mumbai.

On Jugnoo’s presence

We have 2,000 autorickshaws in four cities – Chandigarh, Ludhiana, Jaipur and Amritsar. We will soon launch in Mumbai, Delhi, Gurgaon and Indore. Our hyperlocal delivery service has been launched in the four cities.

“We are talking to Amazon and Flipkart to do deliveries...and the likes of Zomato to do the last-mile bit”

On whether the acquisition now makes Jugnoo a taxi-aggregator

I am very clear we are not going to compete

with Ola and Uber. We just got \$5 million in May at a \$30-million valuation. This is nothing compared to what Ola has raised. Our focus will be budget transport. Our fares will be 20-30% lower than Ola and Uber. But we cannot incentivise drivers; we need to focus on autorickshaws, not taxis. We will see if there is a need for *kaali-peelis* in Delhi. We are also looking at the shared-auto market. It is challenging, but the cheapest.

On raising another \$20 million now

That was the plan. But now we will raise around \$10 million and then wait for a better valuation.



On the contribution of the delivery business

I feel in six months, it can give us 50% of our revenues. The cost of delivery in an auto is almost the same as a bike. So we can be cheaper. We also want to do deliveries for Amazon and Flipkart. We are talking to them. We want to do midnight deliveries too because most auto-rickshaws are idle at that time.

On foraying into food and groceries

We do not want to be in food, but are talking to the likes of Zomato to do the last-mile delivery bit. In groceries we again want someone to sell groceries using our delivery model but, if not, we will provide the groceries.

On having Paytm as an investor

We are integrating Paytm with our systems and are giving every auto driver a digital wallet. It will be great for Paytm too.

not just on Uber but also Ola and TaxiForSure. Questions were asked about the Uber/Ola model that operated with neither the companies having a licence nor the drivers having commercial driving licences. There could be no better scenario for Bookmycab, which operated with licences and approved taxi drivers only. In July 2015, it got a Delhi operating licence ahead of Ola and Uber. Also, the Delhi government ordered Ola and Uber to stop running diesel taxis, following which the duo was pulled up by the Delhi High Court too.

And then, almost against the run of play, in the last week of July, Avinash Gupta sold Bookmycab in a stock-plus-cash deal to Jugnoo.com, a hyperlocal delivery company, roughly 10 years after he started the company. The one-year-young Jugnoo.com, founded by Samar Singla who had earlier also started Click-Labs, is into multiple platforms (see “We Won’t Compete with Ola and Uber”), which includes autorickshaw aggregation, food delivery and hyperlocal ecommerce.

Ask Gupta if all looked so hunky-dory for Bookmycab, why did he not try to buy Jugnoo, and he breaks into a broad smile, before answering: “Samar Singla is a second-generation entrepreneur. There are many things in fine print that he understands better than me. When I do my second venture, I will be better informed.” Investors seem to agree that perhaps the time was ripe for Gupta to hop off. Sunil Goyal, founder and chief executive of YourNest Angel Fund, which has invested in different rounds in Bookmycab, says: “The taxi market has become a very competitive space. Since Bookmycab is a li-

censed player we felt it would benefit in the current scenario, but that is not how it has turned out. We felt at this stage we need someone with deeper pockets.” (Gupta and all the investors now own some stock in Jugnoo.)

Manifold Applications

Jugnoo raised \$5 million in June 2015, from Snow Leopard, in which mcommerce major Paytm also participated. Also Ola, which is now commanding crazy valuations, has raised more than \$600 million, while Bookmycab has only raised something between \$1 million and \$2 million. In February 2014, he announced a plan to raise roughly \$6 million (₹40 crore), but that never happened.

Apart from funds, the market too has moved. Both Uber and Ola have started deliveries of food, and the former even has a ‘puppies on de-

mand’ service. Ola has also moved out of big cities and is offering ride-sharing in smaller cities. In these cities there are no taxi licences – in fact outside of Mumbai and Kolkata and, to some extent Delhi, there aren’t any large black-and-yellow taxi markets. Autorickshaws dominate and therefore the attraction of merging with Jugnoo for the investors. Gupta, on the other hand, feels no money can be made out of autorickshaws. A small autorickshaw aggregator acquired by Bookmycab in Pune has remained unutilised.

Somak Ghosh, managing partner of Contrarian Drishti Partners, says: “We realised we have to grow beyond Bookmycab. We have seen that the market is rewarding players who are growing by operating in the grey areas of unlicensed play. Since we want to stay totally legal we had to move out to more areas like autorickshaws or hyperlocal delivery, which is one of the top three growth sectors.” Ghosh accepts that since the growth now will be beyond taxis the “applications of what Bookmycab has built can be manifold”.

The deal was announced in a hurry. The final contours are yet to be known and valuation is likely to be between \$5 million and \$10 million. Singla needed the announcement to raise further cash and was in Hong Kong last week to meet more investors. The sale wouldn’t qualify as one of distress, but Gupta’s gains would hardly qualify as a killing (he effectively controlled 33%). If investors were keen on the deal, perhaps it’s because they could see the end of the road.

For his part, Gupta had another reason to seal the deal in a hurry. Wife Anuja was scheduled for childbirth in the first week of August. The baby, their second daughter, arrived early, before the deal was closed. While Bookmycab is not his worry any more (he remains the chief executive for a while), with a new baby at home nights are still sleepless for Avinash. ■

THE RACE TO A FINISH

RIDE PROVIDERS ARE SLUGGING IT OUT NOT JUST WITH RIVALS BUT WITH REGULATION

The taxi aggregation space has left regulators grappling with archaic rules **and players who use technology to leapfrog all regulation**Ola and Uber are facing the heat for operating without call-taxi licences **as well as operating with diesel cars in markets where CNG use is mandatory****Limited licensed drivers to operate commercial vehicles add to complexity** as aggregators use fleet-cars and drivers without commercial licencesIncumbent asset owning players like Meru, TabCab, MegaCab **are trying to migrate to a hybrid model that combines aggregation of rides**ET magazine
VIEWREGULATION MUST
MOVE IN STEP WITH
EVOLUTION OF
BUSINESS MODELS

The rapid evolution of business models in the taxi and autorickshaw aggregation space, where hyperlocal delivery is now expected to bring in a large share of revenues, is a lesson for those in government. Entrepreneurs will experiment with different business models and then the fittest among them will survive to fight another day. Fitness here is largely measured by the single criterion – ability to meet customer demand.

Lessons can be drawn from the Maharashtra government, which amended its laws thrice in the last decade to first allow a radio taxi service, then allow them to migrate to an asset-light model and then a third one for the pure aggregators. Today, regulators need to be even more nimble-footed. They have to stay in step with the evolving models or else large parts of the business environment will remain unregulated – as it is today – in the taxi-aggregation business in large parts of the country.

Anup Surendranath, assistant professor at National Law University, Delhi, has been helming the Death Penalty Research Project, a first-of-its-kind empirical study to be released later this month, examining the lives of those on death row in India. Surendranath, who was in the news over reports that he had resigned from his post of deputy registrar of the Supreme Court following the execution of Yakub Memon, declined to comment on why he stepped down, but spoke to ET Magazine's Indulekha Aravind about some of the significant findings of the report, and his views on the death penalty.

Edited excerpts:

“Death Penalty in India is a Cruel Game of Chance”

What made you embark on this project?
 The origins of my interest in the death penalty were very academic in nature, when I was doing my postgraduate studies in Oxford. But soon after I came back, there was the Afzal (Guru) execution. The manner in which it was carried out made me realise that for an issue that captures so much of the public imagination, there's so little work done on it. Most of it surrounds the Supreme Court's own approach to the death penalty and the inconsistent applications of the legal doctrine of the rarest of the rare. But we don't really know how prisoners are sentenced to death, what factors push judges towards giving the death sentence, how death row prisoners are treated in Indian prisons, what their social and economic background is – you need all of this information to have an informed public debate on the death penalty. It can't just be that I believe in the death penalty and you don't, based on our moral and philosophical dispositions. Yes, that's important, but the national and social context within which this penalty is used has to be brought to the fore. The discussion so far has been binary.

You also set out to examine the process of sentencing?

Considering you're giving someone the harshest punishment in the legal system, we wanted to find out if there is a corresponding higher standard of the integrity of the legal process or the investigation process before sentencing someone to death. In every other context, we know that the Indian police force is not your modern police force, and that our criminal justice system is under tremendous strain. Yet, when it comes to the death penalty and when these passions are evoked, we suddenly seem to have great faith in our criminal justice system. We need to look away for a moment from the Yakub Memons and the Afzal Gurus – there are a lot of other people, who nobody has heard about, who have had no legal representation worth its name. You can't ignore them as some incidental cost.

What were some of your significant findings?

We did two studies, one from June 2013 to January 2015, based on interviews with existing prisoners sentenced to death, numbering around 385. Among those sentenced to death for terror offences, 93.5% are Dalits and religious minorities. Even in other cases, lower castes and religious minorities dominate. They also have very low levels of education – 24% of them have never even stepped into school. When you're talking about the death penalty, you're talking about some of the most marginalised sections of this country.

And the second study?

That was to map trends in the fate of death penalty cases from 2000 to 2015. The results are startling: for every 100 death sentences that trial courts give, only 4.5 are confirmed by the higher courts. About 30% are acquitted and the rest are commuted. This basically shows there is rampant overuse of the death penalty. If these are the rates, you are unnecessarily making people live on death row.

“For every 100 death sentences that trial courts give, only 4.5 are confirmed by the higher courts. If these are the rates, you are unnecessarily making people live on death row”

What is the condition of prisoners on death row?

In most prisons, death row prisoners are kept apart. They are not allowed to work because they are considered high risk. They are not allowed to interact with the general prison population. All that they are left to do is talk to other people in the same boat, all wondering whether they will live or die. It's a daily, constant anticipation of your death. Very often, we forget that. When you map that kind of experience with the overuse of the death penalty, it's particularly cruel. My worry is not so much about the executions we carry out as it is about this aspect: that we are forcing people to live on death row unnecessarily.

What is your own view on the death penalty?

There is no fair and reasonable way to administer the death penalty in India. There are very serious structural issues that render it impossible to administer. This is irrespective of what one's moral, philosophical or political positions might be. As a lawyer, I believe the manner in which the death penalty is administered is arbitrary. There is no constitutional way in which you can administer this punishment fairly in India. It's a cruel game of chance.

And this would be applicable to the latest execution, of Yakub Memon?

The latest round of litigation was not about whether or not he should be awarded the death sentence. It was limited to the legality of his death warrant, which sets the time, place and date of hanging. There's a procedure to be followed while issuing a death warrant, and one of the questions was whether that procedure was followed. Secondly, it was about whether he should be given the chance to challenge the rejection of his mercy petition. These were important issues for the court to consider, and they have considered it in the manner they thought fit.

What about your own resignation, said to be done in protest?

No comments.

Which of your findings took you most by surprise?

On a personal level, I was not quite ready for the intensity of the desperation and sheer helplessness (of the prisoners). Irrespective of us repeatedly telling them we could not help them in any way, that this was for a research project, they were clutching at straws. It just baffles me – why people keep being subjected to it despite the courts themselves saying only 4.5% need to be on death row. If we as a society are comfortable with the fact that in order to make that 4.5% suffer, we are going to make the other 95% pay this collateral cost, we need to introspect a lot more. ■



ASHAWANI NAGPAL

When Time Runs Out

Three of six HMT firms are amongst the five state-owned companies the government has chosen to shut down in what could well be a test case for shuttering more loss-making, non-strategic PSUs

:: Shantanu Nandan Sharma

Sanil Dobhal, 50, is one of 100-odd HMT workers who have been sitting on a dharna for months at the 30-year-old factory that was set up to make mechanical components primarily for watches in Ranibagh, in the Nainital district of Uttarakhand. There is no TV crew, no reporter, not even police personnel present on the spot, as workers shout slogans and hold "Save HMT" placards at one end of the 92-acre sprawling campus surrounded by hills and rivulets. The electricity connection was disconnected two years ago due to non-payment of a ₹12-lakh bill, and the factory that once also produced parts such as pins, spacers, brackets for the fighter plane Sukhoi-30 and other defence products, apart from the iconic watches, is virtually paralysed today. The main gates are closed but the employees take a side door into the factory to manufacture some watch components with the help of a 50 kilovolt generator set.

By 1990, the Ranibagh factory had begun producing quartz analog watches and hand-wound watches for men, and in one good year turned out a million of them. This is HMT's fifth watch factory, in addition to four others – two in Bengaluru and one each in Srinagar and



*"Views of the [administrative] ministry could be lopsided. I feel the **decision to close down PSUs without taking the expert opinion** of the Board for Reconstruction of Public Sector Enterprises is not justifiable"*

OP Rawat, former secretary, department of public enterprises

Tumkur; collectively, the watches these units manufactured earned HMT the undisputed and revered tag of 'Time-keeper to the Nation.'

Today, time has all but ground to a halt at HMT, and its keepers, the employees, have not been paid for 16 months. They're unlikely to be employed for much longer. In December last year, the Cabinet of the National Democratic Alliance government at the Centre gave an in-principle nod to close down five sick public sector companies. Three of these are HMT units – HMT Bearings, HMT Watches and HMT Chinar Watches. As you read this, the department of heavy industries is giving the final touches to five Cabinet notes – one for each com-



PHOTOS: SHANTANU NANDAN SHARMA

The Five that Face Closure...

Total Employees*
2,682

Hindustan Cables Ltd

HMT Watches Ltd

Tungabhadra Steel Products Ltd

HMT Bearings Ltd

HMT Chinar Watches Ltd

1,517

1,004

75

55

31

*As on May 1, 2015

Note: Government gave in-principle approval in December 2014 to close these companies; five separate Cabinet notes are being prepared by the department of heavy industries on how to go about the process



The deserted entrance to the Ranibagh factory

... And the Road Ahead for the Remaining HMT Firms

HMT Machine Tools, HMT International and HMT Holding Co will be merged into one entity

Total employee strength will be reduced from **4,480** (at all six HMT companies) to **1,800** by **closing subsidiaries** and also by liberally using retirement schemes

The target is to achieve an annual turnover of **₹500 crore** within the first year of restructuring by **focusing mainly on machine tools**

The new entity may continue production of HMT watches (HMT Watches Ltd will be closed by then), but in a limited way



The Rehabilitation Numbers...

₹1,500 crore

Approximate sum that will be deployed when closing the five PSUs (including 3 HMT ones)

The money will be spent on retirement schemes and clearing outstanding loans

₹20 lakh to ₹55 lakh

Approximate one-time VRS amount for each employee

Employees nearing retirement want the closure process to be fast-tracked

But most of the 523 employees in HMT's Ranibagh plant in Uttarakhand are resisting the scheme

Average balance service years for employees in HMT Ranibagh are 8 years against 3 years in other HMT factories

...and Monetising the Assets

Movable Assets: Plants, machinery, furniture, vehicles and the like will be either auctioned or transferred to a subsidiary or associate PSU; or another option is to **transfer the assets to the Central or to a state government**

Immovable Assets: Total landholding of the five to-be-closed companies is approximately 1,400 acres

The prime properties include **63 acres of HMT Chinar Watches in the heart of Srinagar**; and 83 acres of Tungabhadra Steel Products in Hospet, Karnataka, which falls within a proposed industrial corridor

Unlocking value in land under lease-holdings may be more difficult, as **state governments concerned may ask for the return of such land**

How the "Timekeeper of the Nation" Failed to Keep Pace with the Times

1960s

Company produced the first Make in India watch in collaboration with Citizen Watch, Japan at its Bengaluru factory

Then **prime minister Jawaharlal Nehru** dedicated the first **HMT watch** to the nation



1970s

Bengaluru factory was expanded; **new factories added in Srinagar, Tumkur**

Acquired capabilities to produce main spring, hair spring and shock absorber, the most difficult-to-make components out a total of 104 components needed to make a mechanical watch

1980s

Made a variety of models such as **floral clocks, solar clocks, international clocks, master-slave clocks** and tower clocks

Added a **92-acre new factory at Ranibagh, Uttarakhand** in 1985

1990s

Registered a turnover of ₹1,055 crore (1996-97), the high point of the company

About 2 million watches were manufactured per year, making it the real **"Timekeeper of the Nation"**

2000s

HMT's **100 millionth watch** dedicated to the nation



Competition from private players particularly from **Titan**, and then **cheaper Chinese watches**, forced HMT to drastically scale down

Total **employee strength** of 6 HMT companies now is **4,480** from the high of **22,000** in the mid-1990s

2014

Accumulated **loss** for HMT Watches as on March 31, 2014:

₹2,252 crore

Annual **loss** for 2013-14:

₹223 crore

Total **liability** as on March 31, 2014:

₹2,308 crore



Note: HMT Watches has been on Central government's budgetary support since 2003



"Closing the HMT Watches factory in Ranibagh [Uttarakhand] will be a Himalayan blunder. Is there any big industry in this hill state? Defence ministry's Ordnance Factory should take it over instead"

Bhagat Singh Koshyari, Lok Sabha MP (BJP) & former Uttarakhand CM

gone. Going by the sequence of events – the government's in-principle nod, its statements in Parliament, and inter-ministerial consultations – any reversal in the closure process is unlikely now. The ball is clearly in the court of the government, which now has the daunting task of getting down to the brass tacks of the closure: persuading reluctant employees to call it a day, smartly and quickly settle legal disputes (about 40 HMT cases are now in court) and efficiently monetising the residual assets (the five companies collectively own 1,400 acres of land). After all, shuttering these five central PSUs could well be a template for the government to follow for other perennially loss-making, non-strategic state-owned enterprises.

To be sure, the government needs to also arrive at a robust formula to decide which of the

pany – to formalise the closure process, rendering Dobhal and 2,681 other employees of these five companies jobless. The two non-HMT companies that will also be shut down once the Cabinet gives its approval are Tungabhadra Steel Products and Hindustan Cables.

For his part, Dobhal is in no mood to throw in the towel. "I will fight till the end. Why should I accept any voluntary retirement package when I have eight more years to retire? Why should I suffer because of bad management and poor marketing strategies," asks Dobhal, a veteran in the heat treatment and polishing division who had a role in HMT's marketing vertical as well.

Dobhal's questions may be valid, but he would be the first to concede in private that the time to ask those questions is long

"We were Overstaffed. In the Mid-'90s we had 22,000 People"

Group chairman **S Girish Kumar** says the decision to close three of six HMT companies is painful and has been taken only after exhausting all options. While talking to *ET Magazine's Shantanu Nandan Sharma*, Kumar who has been with HMT for 31 years narrates the highs and lows of the iconic watch brand and indicates what could be the road ahead. Excerpts from the interview:



On the high point of the company

HMT was performing well till 1996-97. We had a good market and our products were known for reliability and durability. Our turnover was as high as ₹1,055 crore in 1996-97.

On the reasons behind the downfall

The turnover began to fall every subsequent year (from 1996-97) – to ₹1,035 crore in 1997-98, and then ₹965 crore the following year. Our performance deteriorated further from 2000 onwards. The problem was we were overstaffed. In the mid-'90s, we had 22,000 people. So, our cost of human resources was very high. It impacted the company's profitability. The policy of the day was that the PSUs, and not just HMT, recruited employees more to fulfill the government's social obligation.

For our watches, we did face competition from private players. But that was not the real problem. The real problem cropped up when the watch market itself shrunk. And the Chinese watches that

were priced at one tenth of ours began to flood the market, making our business unviable.

On closing down HMT Watches

It's always painful to close a company. I myself have been with HMT for the last 31 years. It pains me too. But we have to accept the ground reality. We tried out various ways, but none worked out. There was also a proposal to manufacture only the premium watches, priced between ₹1.5 lakh and ₹2 lakh. The reality is the watch market itself is dwindling very fast.

On future restructuring

Once we close three of our companies (HMT Bearings, HMT Watches & HMT Chinar Watches), we are planning to merge the remaining HMT companies into one entity. It will be a slimmer company with just 1,800 employees (as against 4,480 today). According to our plan, it should have an annual turnover of ₹500 crore initially. We will focus on machine tools. The watch segment may remain in a very limited way.

When Time Stopped and the Tide Turned



Maya Negi, 43, wanted her daughter Nikita to be an MBA rather than pursue an MSc. So she enquired about the procedure of getting an education loan. The response she got from three banks – State Bank of India, Punjab National Bank and Nainital Bank – was the same.

"The moment a bank official hears that I am the wife of an HMT employee, my application gets cancelled then and there," says Negi, whose husband, like 529 other HMT Watches employees at the Ranibagh factory in Uttarakhand, has not received a salary for the past 16 months. That's not all. Bank managers based at Haldwani, a small town eight kilometers from their factory, are aware that it's just a matter of a few months before HMT Watches will shut shop. Sanctioning a loan then is out of the question.

In the late '80s and early '90s, HMT workers were the most sought after grooms in the hill state of Uttarakhand.

Most of the workers, recruited in the late '80s, were under-graduates but they had many an asset: a secure government job, a good pay-scale, a two-bedroom pucca residential quarter and facilities such as a school and hospital. Says Shobha Bisht, wife of HMT employee Mahendra Bisht: "After my marriage in 1989, I first came to this beautiful campus. The company then provided school buses and also special buses four days a week for our shopping in nearby Haldwani. There were ambulance services for an emergency." Her relatives and villagers at Mehraon near Bhimtal in Nainital district didn't hesitate to approach her during a financial crisis. Today, the situation is reversed. "We are forced to take monetary help from our relatives. But how long will they bail us out? My husband and other employees have not got their salary since April 2014," she adds.

It's evident that the apartments they live in have not been maintained for years. The condition of the bigger quarters – three and four-bedroom apartments meant for the officers of the company – is as bad.

The spouses of the employees whom this writer spoke with are totally opposed to

the idea of an exit by accepting a retirement scheme, something the management of the company has been hoping for. "What if the money gets spent in our children's education or daughter's marriage? All of us have used our provident fund money to run our kitchens for all these months. How

can we survive only with the VRS money? So we are opposed to such a scheme," says Geeta Chamyal, wife of employee Jagat Singh Chamyal. She adds that this phase of uncertainty has left a psychological scar on their young children as well. "When there is no salary for 16 months, it is bound to make an impact on our children. At home, we discuss the crisis every day and night," she adds.

Their daughter Konika who has completed her post-graduation is now attending coaching classes 15 km away from the HMT campus, with the hope of getting a government job. There are days when she

walks the entire distance to save the auto fare of ₹60. "How can I ask my father, who has not been paid for such a long time, for money," asks Konika.



"We are forced to take monetary help from our relatives. But how long will they bail us out? My husband and other employees have not got their salary since April 2014"

Shobha Bisht,
 wife of HMT employee

65 sick central PSUs need to go the HMT way. Else, questions will inevitably be raised as to why HMT Watches, with a relatively small annual loss of ₹233 crore has to face the guillotine when other deep-in-red PSU behemoths like Air India (net loss in 2013-14: ₹5,380 crore) and BSNL (a loss of ₹7,085 crore) live to see another day (see "Let's not get Emotional...", page 11).

"The government is taking a cue from the 14th Finance Commission, which recommends that loss-making companies in non-strategic sectors can be considered for closure,"

says a government official connected with the process. This means companies such as Hindustan Photo Films, Fertilizer Corporation of India, Scooters India and Tyre Corporation of India (which earlier had a failed disinvestment bid) could well be next in

line (assuming of course shutting down the first lot of five is a largely smooth process); whereas perennially sick companies such as Air India or BSNL may well survive thanks to the interpretation of what's strategic and what not.

The government, however, may not float the idea of closing many more HMT-like companies because of practical bottlenecks. For example, parliamentary approval is a must in shuttering companies such as Scooters India and Tyre Corporation of India (those subsequently taken over by acts of Par-

liament); so the government may not touch these companies with a barge-pole given its lack of numbers in the Rajya Sabha. Nor can it attempt to put up the shutters on giants like Air India as such sensitive decisions may swing public opinion against the gov-

Government has the daunting task of persuading reluctant employees to call it a day, settling legal disputes and efficiently monetising the residual assets

Déjà Vu from Durgapur

The industrial hub in West Bengal has been a graveyard for many enterprises that depended on the government for business

:: PK Sen

In the '70s and '80s, Durgapur, an industrial and business hub in West Bengal, had a number of companies including large MNCs, PSUs, small and medium enterprises with heavy investments in different infrastructure sectors. While many were making profits, others were showing signs of floundering. In some cases, the PSU's investment decision was not based on market realities. Hence, the growth that was expected did not happen. The business plan that these companies were following back then, and the long and short term vision that they had for their businesses, provides many a lesson in survival for businesses even after a few decades.

An example is Mining and Allied Machinery Corporation (MAMC), a heavy machinery manufacturing PSU set up 1965 with Soviet help and technology. The company has been in the red since 1992, with hopes for revival looking bleak. Like many other PSUs and even private players in the region in those days, MAMC was heavily dependent on the government for business. Such companies did not plan any big diversification for the future. As large infrastructure businesses stagnated, such companies dependent only on big government projects could not keep their head above water. In the case of units such as MAMC, that they were set up with Soviet technological know-how, there was another problem. Often machines and processes became obsolete and there were no back-up plans in place for modernisation or indigenisation.

In industrial hubs such as Durgapur, when a company shuts down, the collateral damage is evident among the employees and their families. While such townships are assets of the sick unit, they very often lie locked in and cannot be utilised for any revival plans. The dilapidated MAMC township – Viswakarma Nagar – now bears testimony to a failed business and antiquated business plan. Some of the employees still live in the houses provided to them by the company many years back, having lost all hope of it reopening after almost 20 years.

Many other large units in Durgapur – both in the private and public sector – suffered from complacency with the management not remaining agile and willing to change with the times. Innovation in terms of renewed market focus, products, services, HR practices and use of technology was missing. And unfortunately most of them were either forced to down their shutters or went into the red.

[The author was a director at ACC Vickers Babcock, Durgapur, and later director at Thermax, Pune. He is now a director at Coastal Energy]



Dilapidated condition of the MAMC township

ET magazine VIEW

WHY HMT MAY BE A SOFT TARGET

By kick-starting the process of shutting down five PSUs, including the iconic HMT Watches that was once called the 'Timekeeper of the Nation', the NDA government, it seems, has decided to bite the bullet. But a closer look into the process will tell you that HMT is a relative soft target for closure. Except for a section of relatively young workers belonging to one of its five factories, most workers in HMT companies are nearing retirement and are more than happy to take an exit route with an attractive VRS package. So, if the government is really serious about bringing efficiency to the public sector and preventing tax payers' money from going down the drain, why doesn't it zero in on the deep-in-red PSU behemoths such as Air India, MTNL and BSNL as the next candidates for closure? After all, these three PSU biggies account for whopping 63% of the total annual Central PSU losses of ₹28,000 crore.

ernment.

So, was HMT a soft target? "Perhaps," concedes an official connected to the development. "Except for those working at the Ranibagh factory, most of the workers in HMT companies are nearing retirement. Many of them have written to us urging for an early closure so that they can take the benefits of our liberal VRS package".

The package is somewhat attractive as it is based on the 2007 pay scale and not on the 1992 one. It may sound odd but the HMT employees' salary is still based on the 1992 pay scale, under which the minimum basic pay is just ₹1,880 per month, not even comparable to the daily wagers benefiting from the Mahatma Gandhi National Rural Employment Guarantee Act.

HMT group chairman S Girish Kumar says HMT employees opting for VRS stand to pocket between ₹20 lakh and ₹55 lakh as a one-time compensation, which may appear attractive con-

sidering most employees have not been paid since April 2014.

After shutting down three companies, the three remaining HMT entities are likely to be restructured. "We are planning to merge the three into one entity, a slimmer one with 1,800 employees (as against 4,480 today). We will focus on machine tools. The watch segment may remain in a very limited manner," says Kumar.

Bhagat Singh Koshyari, former Uttarakhand chief minister and a current Lok Sabha MP from BJP, says he recently made an appeal to defence minister Manohar Parrikar to rescue HMT's Ranibagh factory by allowing a defence PSU or an ordnance factory to take it over. The factory workers who this writer met last week gave a list of defence products that have been made in the past – pins, spacers, brackets for the Sukhoi-30 and Jaguar planes, inserts for bullets and the like. Two months ago, two teams – one each from Bharat Electronics Limited and an ordnance factory – undertook a preliminary survey of the men and machines of the factory.

"We have some great assets across our factories. But selling or transferring those to another government agency will arise only after the current VRS process ends," says Kumar, ruling out any possibility of reversing the closure.

Many of the agitating workers know that they are fighting a losing battle. But fight they will, till the end. "Let's Make in India, not Unmake in India," shouts MN Joshi, a 55-year-old employee who insists he will refuse a VRS. The only solace for Joshi and his ilk is that the king-sized HMT watch at the entrance of the main factory is still ticking! ■

"Let us not Get Emotional about PSUs; Get Rid of Chronically Sick Ones, including Air India"

:: Ajay Dua

Without underplaying the valuable role of the public sector in the initial decades after Independence, the time has come to dispassionately look at each of the 250 odd central public sector undertakings (CPSUs) – neigh every government-owned enterprise in India whether centrally or state owned. Such 'zero budgeting' about the continuance or otherwise of PSUs is called for now that we have consciously moved to letting in private players in almost every segment and permitted market forces to decide resource-allocation.

The response to the liberalisation and globalisation initiated in 1991-92 and the subsequent measures has been immensely positive with noticeable resultant inflow of private capital, entrepreneurship and technology – the very raison d'être for encouraging and promoting the public sector in the first place. Now that alternative sources of investment have emerged and domestic private management has matured, the role and track record of every government undertaking must be revisited to determine more optimum utilisation of societal resources and ensure that taxpayers' money is deployed where it is most needed and productive.

To start with, the exercise of deciding the fate of PSUs should begin by critically reviewing each of the 65 CPSEs which, as per the Union minister for public enterprises' recent statement in Parliament, were deemed 'sick' at the end of the financial year 2014-15 – these enterprises

had experienced more than 50% erosion in their average net worth during the four preceding years. The number of sick units was 58 in 2013-14 and 61 in 2012-13, reflecting that of late sickness had been increasing. A similar trend has been noticed in the loss-making entities – all losing firms are not termed sick till such time as their net worth erosion goes above the threshold limit. The minister had identified the reasons for sickness as obsolete plant and machinery, heavy interest burden, resource crunch, surplus manpower and shortage of working capital. The government, at various fora in the past, has admitted that besides the above, their unsatisfactory performance has been due to high wage costs, low labour productivity, outdated technology and lack of dedicated sales and servicing teams.

The identified companies in this list included Air India, National Textiles Corporation, BSNL, MTNL, Hindustan Antibiotics, Heavy Engineering Corporation, Scooters India, Eastern Coal Fields, Bharat Coking Coal, News Print Corporation and Hindustan Shipyard. Yet the government, for reasons not difficult to guess, has decided to close down only five undertakings – three HMT outfits, Tungbhadra Steel and Hindustan Cables, all of which together employ about 2,700 employees and have accumulated losses of about ₹3,000 crore.

Contrast it with Air India, which has a manpower of 28,000 and which despite all the government patronage and support, has incurred a loss of ₹18,432 crore in the last three years alone. In 2012-13, MTNL, BSNL and Air India together accounted for about ₹18,000 crore of loss out of a total CPSU loss of ₹28,562 crore, with Air India being the sec-

ond highest loss-maker after Bharat Coking Coal. Yet instead of exploring options like getting in a strategic partner to run it more professionally or selling it off completely before it runs aground, government after government at the Centre has been seen to be wearing kid gloves and shown a biased and emotional belief that it can be surely revived ignoring its persistently poor performance; and at a juncture when the competition from nimbler private players, both domestic and foreign, is intensifying by the day.

Recent news reports highlighted that the national carrier had been put on cash and carry mode by Mumbai airport for over ₹450 crore of dues; and that the take-off of an already boarded Mumbai-New York flight was held up as the principal secretary of a chief minister, who had checked in his luggage without the requisite visa to enter the US had gone back home to fetch the right passport. These reports do not seem to bother Air India's management much. Nor do the more recent scathing observations of the national auditor CAG that the air-

line's wholly-owned subsidiary Air India Charters had wasted ₹405 crore in extending the dry lease of 4 aircraft by three years; this in spite of Air India already going in for buying 18 new Boeing planes, the airline not having enough pilots to fly the leased aircraft, and it operating them on mainly loss-making routes.

Not surprisingly, Air India continues to have a negative net worth of around 0.25:1 and the value of its as-

sets, including the sizeable real estate it owns in Mumbai, is fast depleting. Similar is the story of the value of the flying rights on attractive commercial routes, which it enjoyed exclusively for decades but in recent years have been given away to the more aggressive private flyers. It should not be too much of a surprise if in the near future there are no worthwhile parties left anywhere in the

world to buy out our once iconic national carrier.

Most of the 65 identified sick companies need to be hived off by the central government as they operate in segments of the economy where private players are now better placed to succeed. The manufacturing facilities of Hindustan Antibiotics, Heavy Engineering Corporation and National Textiles Corporation are old, have an unduly high dependence on outdated technology and produce items that have shrinking demand and are clearly unable to compete with producers of modern and more functional substitutes.

Certainly a far higher degree of political willpower than has hitherto been demonstrated would be required to deal with the recalcitrant trade unions and other vested parties. But once their workers are assured of a fair treatment, much of the other resistance could be handled. A prerequisite, however, will be making an objective and professional assessment of the potential for survival of each entity in the emerging environment where global competitiveness rather than just domestic is the benchmark.



Although 65 CPSEs were deemed sick at the end of 2014-15, the government for reasons not difficult to guess has decided to close down only five



The author was a secretary in the ministry of commerce and industry and chairman & managing director of NHPC and REC

What *Achhe Din* should Really Mean

Why the development mantra needs to be less about smart cities and making in India, and more about improving the lives of roughly a third of households – those in underdeveloped rural India



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:: Rama Bijapurkar & Rajesh Shukla

Discussing gross domestic product (GDP) growth rates has become a national pastime with Indians in the world of business and policymaking alike, and the intelligentsia and the media. We dissect it with as much passionate intensity as the judges in MasterChef do their contestants' entrees: the texture, the flavour, the balance, the overall look-feel of it.

We lobby for reforms that will boost it, we weigh electoral victories against it. Is economic logic overtaking identity politics in India? Is a good GDP growth rate when in power an amulet for the next election? Greece, the US, China, Russia, the Middle East as well as the will-he-won't-he (cut interest rates) are all thrown into the reckoning for an assessment of whether we will score a disappointing 6 or 7, or a happy 8 or a blissful 9.

We acknowledge that consumer spending is a major pillar of GDP growth but we look to sales figures of companies to decide whether consumer spending is healthy or not, and at interest rates to decide whether it will be healthy or not. Never mind that a lot of our consumer spending is going to Chinese manufacturers and Indian traders

whose accounts are not audited and only one third of our households carry debt, formal or informal. A major driver of GDP growth is consumer spending (household spending), and all this GDP analysis that we do has to take into account how past GDP growth has affected the incomes of Jayant the rural labourer and Sumant the small-town businessman and Sita who is a cultivator in a village close to a metro city. We also need to know how confident they feel about spending it. Also, while we think about all this, it is also interesting to see why the Congress lost despite clocking good GDP growth rates and putting money directly in the hands of poor people through all its schemes.

And as we add the catch-all phrase of 'development', the poll plank on which the Narendra Modi government came to power and needs to deliver on, we need to know

what sort of development will bring *achhe din* to different strata of Indians. Isn't household income growth the end result of development? And how is development different from GDP growth?

We want, in this column, to take you on a worm's-eye view of GDP and development, a guided tour through the various strata of 270 million Indian households, and see what GDP growth and development mean in their day-to-day lives. We are

tired of supply-side conversations, of inclusion targets, of phrases like urbanisation and smart cities. We have screaming headlines from the Census of India of how so many households have no toilets, no electricity and no water and yet our average numbers of consumer durables sold keep increasing, both contributing to and drawing from the steadily increasing average per capita income of an average Indian

Pundits feel all is well once the magic number of average annual per capita income of \$1,000 has been reached.

But if the average is that of a top 5% rich who earn 20 times more than the bottom 5%, is it equal cause for celebration?

household. The average metrics for a typical Indian household is also something we wage war against. Pundits have it that all is well for a consumption-driven economy once the magic number of average per capita income of \$1,000 (₹63,800) per year has been reached. But if the average is that of a top 5% rich who earn 20 times more than the bottom 5%, is it equal cause for celebration?

First let's look at how GDP growth has translated into household income. After a very dry spell of no robust household income data (not surprising given how expensive it is to collect it), we now have good comparable data for 2004-05 and 2013-14 – a near decade – and we saw quite a few surprises.

A Question of Expectation

The annual average GDP growth for the period was a not unhappy 7.3%, with five wonderful years of over 8.5% GDP growth, three average years of between 6.5% and 7.0% and two bad years of under 6%. In this period, for the first time ever, perhaps, the poorer households grew their income at a faster pace than the richer households (see *Income Growth in the Last Decade*).

The income of 180-million-strong rural households also grew and at a faster clip than their urban counterparts'. Following this lead, we uncovered a segment of 30 million rural households that we called developed rural, typically around metro cities, where incomes are higher than what we call niche cities (or tier II towns).

Instead of struggling with ideas of upper-class and middle-class, let's settle for slabs of 20% each of population based on their per capita income (or per capita income quintiles). The poorest two slabs of households more than doubled their income in a near decade. The two richest slabs of households, on the other hand, grew their income just 1.3-1.4 times. Though this amounts to more money than the poor added, the value and joy they got out of it was very little. Think about it: in one case you earn ₹64,137 and nine years later, net of inflation, you add ₹79,696; in the other, you start at ₹5,19,210 and you add ₹2,63,005 to it.

It is also a question of expectation. This group, the so-called middle-class, has been used to having its income double in every decade or less and for the first time in a long time they saw it moderate. The largest incidence of loans, and the worst hit with high interest rates, is also in the urban top-income slab, the *crème de la crème* albeit of a very modest income

Income Growth in the Last Decade

| Population Quintiles Based on Per Capita Income | Population (in million) | No. of Households in Each Quintile (in million) | Rural-Urban Households Split (%) | Average Household Income (₹ at 2013-14 prices) | | Average Annual Growth Rate (%) |
|---|-------------------------|---|----------------------------------|--|-----------------|--------------------------------|
| | | | | 2004-05* | 2013-14** | |
| INDIA - Q1 (Bottom 20%) | 253 | 43.9 | 83-17 | 64,137 | 1,36,708 | 8.8 |
| INDIA - Q2 (21-40%) | 252 | 47.9 | 77-23 | 99,204 | 2,08,567 | 8.6 |
| INDIA - Q3 (41-60%) | 254 | 54.9 | 72-28 | 1,39,089 | 2,47,922 | 6.6 |
| INDIA - Q4 (61-80%) | 252 | 60.8 | 64-36 | 2,20,122 | 3,15,852 | 4.1 |
| INDIA - Q5 (Top 20%) | 254 | 62.5 | 45-55 | 5,19,210 | 6,69,328 | 2.9 |
| ALL INDIA | 1,260 | 270.1 | 66-34 | 2,19,469 | 3,35,598 | 4.8 |

Source: *2004/05: *How India Earns, Spends and Saves* (Rajesh Shukla, SAGE Publication)

**2013/14: Income estimates using ICE 360° survey distribution and National Accounts (CSO) personal disposable income data

Income Growth: Rural Vs Urban

Total No. of Households 2013-14 (in million)

270.1

Rural: **179.5**

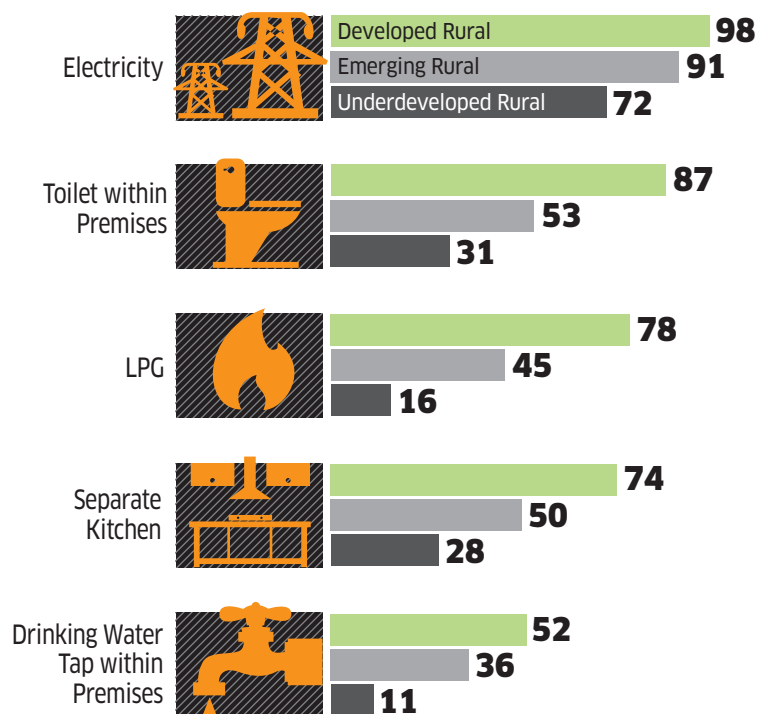
Urban: **90.6**

| | | Rural | Urban | Pan-India |
|--|--|-----------|-----------|-----------|
| Average Household Income (₹ at 2013-14 prices) | Real Increase between 2004-05* and 2013-14** (₹) | 1.04 lakh | 1.23 lakh | 1.16 lakh |
| | Annual Growth (%) | 5.25% | 3.76% | 4.83% |

Source: *2004/05: *How India Earns, Spends and Saves* (Rajesh Shukla, SAGE Publication)

**2013/14: Income estimates using ICE 360° survey distribution and National Accounts (CSO) personal disposable income data

Rural Disparity: Basic Amenities (% of Households)



Source: ICE 360° Survey (October 2014) from People Research on India's Consumer Economy

country, where almost one out of two families have a loan (as compared to say the poorest 20% of rural India where only one out of five have a loan and of a smaller quantum). And even here, half of the chief wage earners do not earn a regular salary, and hence feel vulnerable.

Of Surplus Income & Reverse Saving

Income growths are one measure of well-being but another more effective test of it, especially when so much aspiration to live better abounds, is what we call 'surplus income'. It is a rough and ready measure of how much money a family has left after spending on its routine and non-routine expenses. Despite doubling their income, the poorest 20% of Indian households, mostly rural, are having to spend more than they earn even on their routine expenditure and are hugely out of pocket after non-routine expenditure, which includes health emergencies and social commitments. The next higher-income slab of households manages a surplus provided there is no non-routine expenditure. The richest 20% of Indian households are very comfortably off in terms of surplus income being between one-third and half of their total income. However, they are not happy with their muted income growth.

That aside, we found more dis-saving (expenditure exceeding income) in urban poor than we did amongst rural poor; even though the poorest urban household on an average earned 25% more than the poorest rural household, the urban household spent 43% more.

So, despite reasonable GDP growth, was it bad economics that hurt the Congress? Or was it bad marketing, as RaGa says? Our view is that the richer half of households were upset with their income growths and were not optimistic about getting their income growths back unless something changed dramatically. Thanks to costs going up, poorer households also did not see surplus income grow though they saw total incomes grow. Rural income growths were also probably attributed more to actions of local governments rather than actions of the Centre. What about the large amount spent on welfare schemes? If we do the math of money spent on people (40 million poor households), the average money received per household, even after assuming no leakage, is still very small. The urban poor got nothing at all.

To add to this, the combination of unchecked inflation, perception of corruption, non-visible grass-root workers led to the doubt: "Is anybody in charge out there?" Enter Narendra Modi and his promise of development leading to *achhe din aane waale hain*. And the clear picture that someone is in charge. In July-September 2014, we asked 20,000 households all-India the extent to which they agreed that *achhe din aane waale hain*. 40-50% of every income group agreed strongly and another 25-30% agreed somewhat. It was the same pattern for urban versus rural India and the highest agreement of over 50% agreeing strongly was the rural poor.

So what kind of development will add value to them? Development means access to personal con-

sumer goods that make living better. We don't do well on decent housing, we do okay on clothing thanks to China and on food in good years. Access to other consumer goods is a lot better with prices falling, but the net result is captured in a grizzly cartoon we recently saw of a man using the railway tracks as a toilet and cooing to his girlfriend on a mobile phone.

Development also means access to affordable decent quality public services like water, electricity, education, health, all woefully inadequate still. 13% of the top 20% richest rural households have no literate member in the household and, for another 20% of households, the highest educational attainment of any family member is below class X.

GDP growth of 7.3% in nine years has improved a lot of households but has still left us with 96 million households that we call underdeveloped rural (based on a combination of indicators from the census, at a rural district level), only 11% of whom have a drinking water tap within the premises, 16% have LPG, 3% have a tap within the premises and mostly *kuchha* houses.

Even a 10% growth over the next decade will not fix this. The underdeveloped rural and the emerging rural that we have identified together comprise more than half of Indian households. Underdeveloped rural alone is almost a 100 million households. So the development agenda has to focus on this group specifically. Smart cities and Make in India investments will not help them get basic amenities. An accelerated amenities programme is essential. This is the job of the State. It is not the job of the citizen to earn more and then fix his basic living needs.

Back to Bijli-sadak-pani

Development also means productive employment so that people can reach a position to buy things to lead a better life. But here's the catch. Most Indians do not have a regular job. The occupation profile of India always jolts us. Only 35% of urban India and 13% of rural India get a regular salary. In underdeveloped rural India, it is mostly casual labour. Make in India will not generate productive

employment for so many people. A better infrastructure ecosystem can perhaps help them be more productive. This works for the large cities too, where poor quality transport leads to lower productivity and the inability to grab opportunities that prevail.

Development in the form of *bijli-sadak-pani* and liveable houses is the need for the underdeveloped rural. Efficiency-improving infrastructure will help boost incomes of urban India and developed rural; and an infrastructure and digital ecosystem to help a nation of mostly self-employed people become more productive; and finally what we all know – that if 40% of rural households and 23% of urban households have their chief wage earner doing labour, then finding ways and means for the labour to become more value-added service providers is the need of the hour.

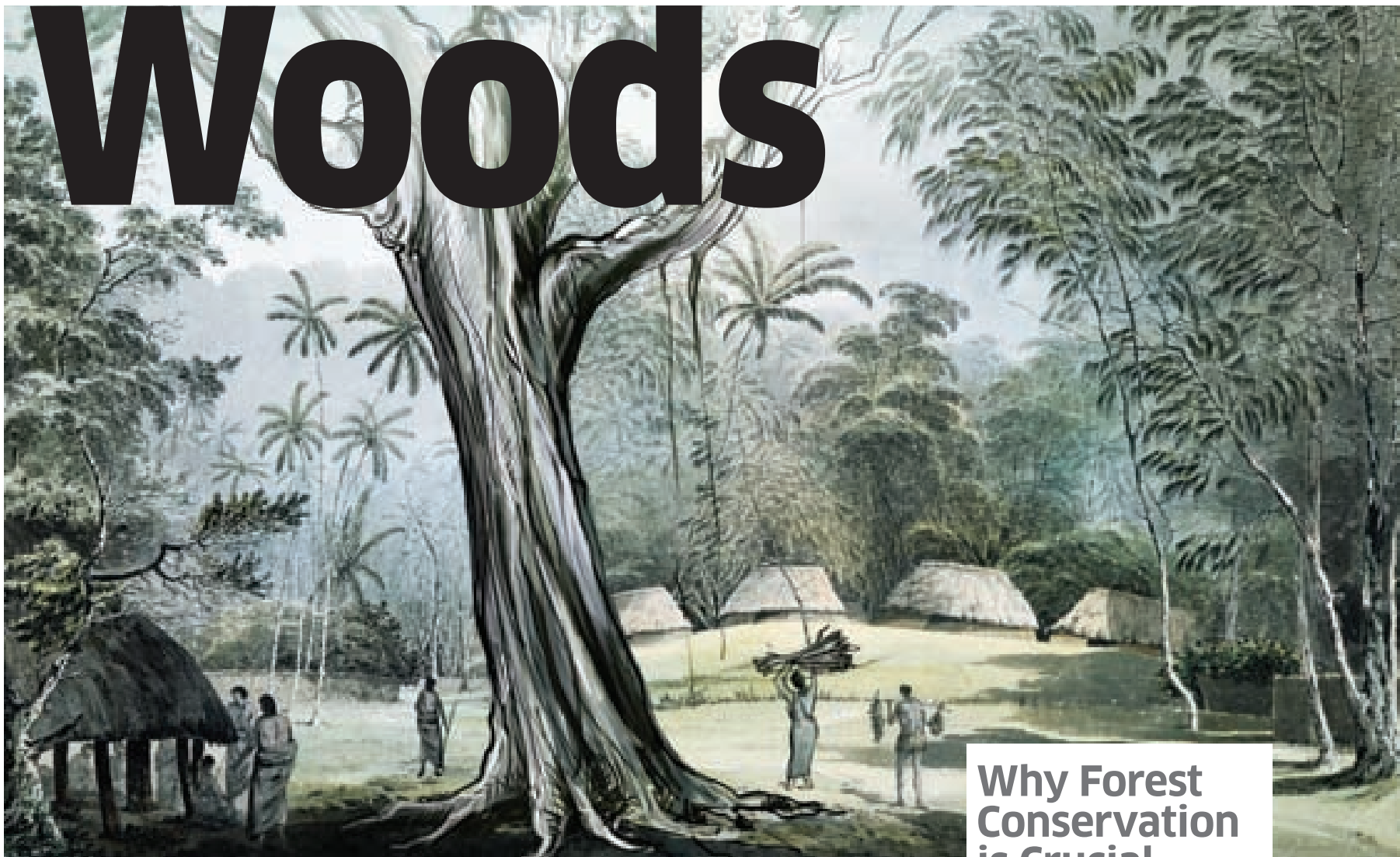
The development slogan and promise needs to be translated into better infrastructure and amenities. Even education can follow next. ■

(The authors are cofounders of People Research on India's Consumer Economy)



Only 35% of urban India and 13% of rural India get a regular salary. In underdeveloped rural, it is mostly casual labour. Make in India will not generate productive employment for so many people

Lost in the Woods



Community rights under the Forest Rights Act could transform the lives of millions of forest dwellers, but only if the bureaucracy is pushed to implement the legislation fairly and without delay

G Seetharaman | Jashipur, Odisha

Reaching Bilapaka in the buffer area of the Similipal Tiger Reserve in Mayurbhanj district of north-eastern Odisha is not easy even in the best of times. So a day after heavy rains which made our visit to the village seem like nothing more than a dream that may not come to pass, we set off from Jashipur, the nearest town, under clear skies on a 90-minute journey (it usually takes about half the time), periodically during which we encounter massive boulders on what is an apology for a road next to a gushing river.

When we finally get to Bilapaka, we are greeted by vast swathes of paddy fields bordered by the woods, with houses at an elevation in the middle exhibiting a sense of equanimity that belies the far-reaching development that occurred about four months ago. The villagers, belonging to Bathudi and Kolha tribes, finally got back in April what, till a few years ago, they could not even imagine: the right to manage and conserve the part of the forest that falls within the traditional bound-

aries of their village, and the right to use and sell minor forest produce like *tendu* (a leaf used to make *beedis*), bamboo, honey and medicinal plants.

Bilapaka, with a population of 480, was one of the 44 villages in the core and buffer areas of the tiger reserve whose community forest resource rights, better known as community forest rights (CFR), were recognised in April, under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, better known as the Forest Rights Act (FRA).



The government can only play an advisory role and hand-hold them [gram sabhas] wherever necessary"

Damodar Patnaik, senior official, Integrated Tribal Development Agency, Odisha

Maheshwar Naik does not need much prodding to talk about CFR. A short man with a chiselled torso, Naik is the president of the forest rights committee, elected by the gram sabha of the village, the body vested with CFR. At least a third of the committee members has to be women. "Before FRA, the government tried to displace us but we didn't move; now they can't do anything," says Naik, with a half-smoked *beedi* stuck in his *lungi*. It's been nearly two years between the village filing its CFR claims and getting the recognition.

Budhurai Soren, from Sanasinai village, which is outside the tiger reserve, is glad that there will be no more penalties for 'encroachment'. "The old men in our village have for years been engaged in forest protection, reporting poachers to the forest department, but once we get CFR we can handle it ourselves," he tells us at the tahsildar's office in Jashipur where he and people from a bunch of other villages have come to collect their individual forest rights (IFR) ti-

Why Forest Conservation is Crucial

The Global Picture...

Forests account for about **a third of the total land area**

About 60 million indigenous people are wholly dependent on forests and about 350 million people live in or near forests

In all, about a billion people rely on forests for their food, fuel and income

About 32 million acres of forests, which is the size of England, are lost globally every year, adding to global warming and putting several species of plants and animals under threat

Deforestation and forest degradation **account for a fifth of greenhouse gas emissions**

...And in India

Forests account for **over a fifth of India's geographical area**

There are about **150 million forest dwellers**

Scheduled tribes, numbering over 104 million, account for 8.6% of India's population, **and nine out of 10 of them live in or near forests**



Source: Rights and Resources Initiative, Ministry of Environment, Forests & Climate Change, Collaborative Partnership on Forests

ties. Sanasina has completed its CFR claim process and is awaiting the final papers. Indigenous peoples across the world have a history of protecting forests before governments came into the picture. Odisha, for instance, reportedly had 17,000 village forest protection committees even before FRA.

Considered one of the most landmark pieces of legislation enacted during the United Progressive Alliance's 10-year rule, FRA looks to set right the injustices suffered by India's tribals and other forest-inhabiting communities during the time of British rule and in independent India. Tribals had been living in and conserving forests, while at the same time depending on them for their livelihood for centuries, but the British started regulating forests in the second half of the 19th century.

The Forest Charter of 1855 made timber a state property and 10 years later, the first Indian Forest Act was enacted, followed by two more, in 1878 and 1927. These sought to take over forests to exploit their commercial potential and, as a result, put paid to the locals' dependence on them. The 1878 Act divided forests into reserved forests, protected forests and village forests. Reserved forests were the most restricted category, with the government enjoying proprietary rights over them and most uses of the forest by locals were prohibited unless specifically permitted. The government had ownership rights over protected forests too, but most uses by locals were allowed unless prohibited. Village forests, on the other hand, were those where the government assigned the local community powers to manage the forest, but this provision was not made much use of.

Alienation of Tribals

The government also turned several protected forests into reserved forests just so it could control them entirely. Tushar Dash of Vasundhara, a Bhubaneswar-based non-governmental organisation, says 90% of reserved forests were so declared by the British without any due process for settlement of rights. The government's exclusionist approach to forests continued in independent India. The Forest Policy of 1952 wanted a third of the country to be brought under forest or tree cover. Government-owned forests almost doubled from 40 million hectares (1 hectare = 2.47 acres) in 1947 to 76.5 million hectares in the mid-'70s. Moreover, about 4.5 million hectares were diverted for agriculture and other uses by 1980. The alienation of tribals from their land was one of the root causes of the Naxal movement, which is still a force to contend with in certain pockets of India.

What aggravated the distancing of forest dwellers from their land was the wildlife conservation movement, resulting in the Wildlife Protection Act, 1972, which put the interests of animal and plant species in forests above those of tribals. Forests, which had been a state subject, were put on the concurrent list in 1976, making control of forests more centralised. The Forest (Conservation) Act of 1980 made it compulsory for states to take the Centre's permission before diverting forest land for non-forestry purposes.



Forest Rights Act

Enacted in 2006, the Forest Rights Act came into effect in 2008. Considered a landmark piece of legislation as it attempts to correct historical injustices against forest dwellers in the colonial era and in independent India, it recognises forest dwellers' individual rights over their land and a village's rights to manage and conserve the forest:

Individual Forest Rights: Any person belonging to a scheduled tribe can claim rights to live in and cultivate up to 4 ha if he occupied it and depended on it as of December 13, 2005. A non-tribal, in addition, will have to prove his family's residence in the vicinity of the forest for 75 years prior to December 2005

Community Forest Rights: The Act recognises the rights of a gram sabha over forest land within the village boundaries or seasonal use of landscape for pastoral communities. This allows the villagers to own and collect, use and dispose of minor forest produce besides timber, including the right to use grazing land and water bodies and the right to protect and regenerate any community resource, among others

"Before FRA, the government tried to displace us but we didn't move, now they can't do anything"

Maheshwar Naik, president, forest rights committee, Bilapaka village, Odisha



policy led to the formation of joint forest management (JFM) committees, which have officials from the forest department and villages. While this is supposed to be a way to involve locals in the management of forests, JFM committees are often controlled by forest officials.

A public interest litigation filed in the Supreme Court in 1995, which subsequently came to be known as the Godavari Case, about large-scale illegal timber felling in the Nilgiris in Tamil Nadu, led to orders restricting the rights of tribals on forests. The Central government is said to have misinterpreted the apex court's direction to not regularise encroachments in forests without the court's permission. The Centre in May 2002 ordered state governments to evict "all ineligible encroachers and post-1980 encroachers". This led to thousands of people being removed from 1.5 lakh hectares in just 18 months. The eviction drive set the ball rolling for what became FRA, which came into effect only in 2006.

FRA acknowledges history when it says, "forest rights on lands and their habitat were not adequately recognised in the consolidation of state forests during the colonial period as well as in independent India resulting in historical injustice to the forest-dwelling scheduled tribes and other traditional forest dwellers who are integral to the survival and sustainability of the forest ecosystem". Kundan Kumar, regional director for Asia at the Washington, DC-based Rights and Resources Initiative (RRI), says this admission is one of the reasons FRA is significant.

The Act, for whose implementation the ministry of tribal affairs is responsible, confers both IFR and CFR. Any person belonging to a scheduled tribe can claim IFR to live in and cultivate up to four hectares provided he occupied it and was dependent on it as of December 13, 2005. In case of a non-tribal, in addition to this requirement, he will have to prove his family's residence in the vicinity of the forest land for 75 years prior to December 2005.

But the more important provision of the Act is CFR, which transfers the powers back to the inhabitants of the forest from the forest department. Rights can be claimed on reserved, protected or unclassified forests. Even protected areas, which include national parks and wildlife sanctuaries, are included. India has 702 protected areas, not including the tiger reserves, elephant reserves and biosphere reserves.

No project of the government or a private entity in the forest can be implemented without the approval of the gram sabha. "The government can only play an advisory role and hand-hold them [gram sabhas] wherever necessary," says Damodar Patnaik, a senior official at the Integrated Tribal Development Agency in Odisha. To ensure the process stays democratic, the powers are vested with the gram sabha, which consists of all the adults in the village. "The larger the number of parties involved in decision-making, the greater the chances that the decision would be the in broader social interest," says renowned ecologist Madhav Gadgil.

There are about 150 million forest dwellers in India and the population of scheduled tribes is over 104 million, or 8.6% of India's population. Nine out of 10 tribals live in rural

Community Forest Rights: Potential and Implementation

POTENTIAL: About **1,70,000 villages**, or a quarter of India's villages, are eligible for CFR over at least **40 million hectares** of forest land, but so far rights have been recognised only over **0.34 million hectares**

IMPLEMENTATION: As of February 28, while titles for **40% of IFR claims** have been distributed, **only 30% of CFR claims** have been cleared

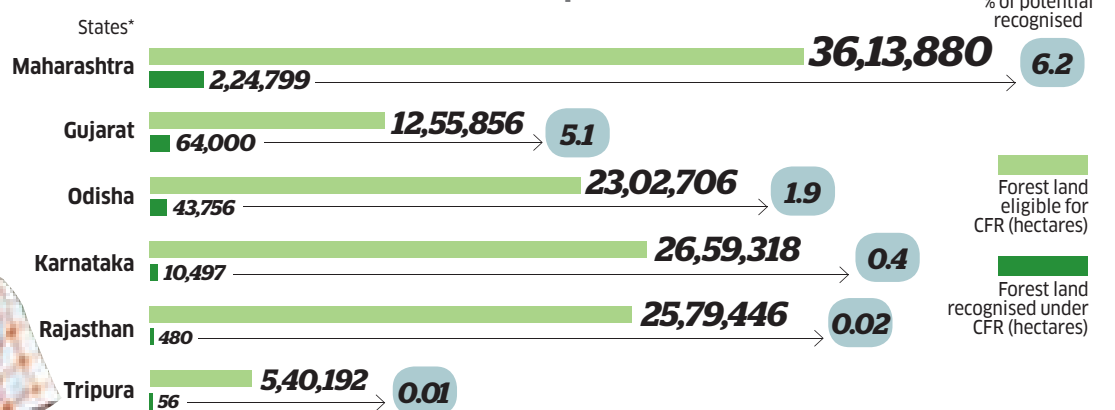


The old men in our village have for years been engaged in forest protection, reporting poachers to the forest officials, but once we get CFR we can handle it ourselves"

Budhurai Soren, villager, Sanasina, Odisha

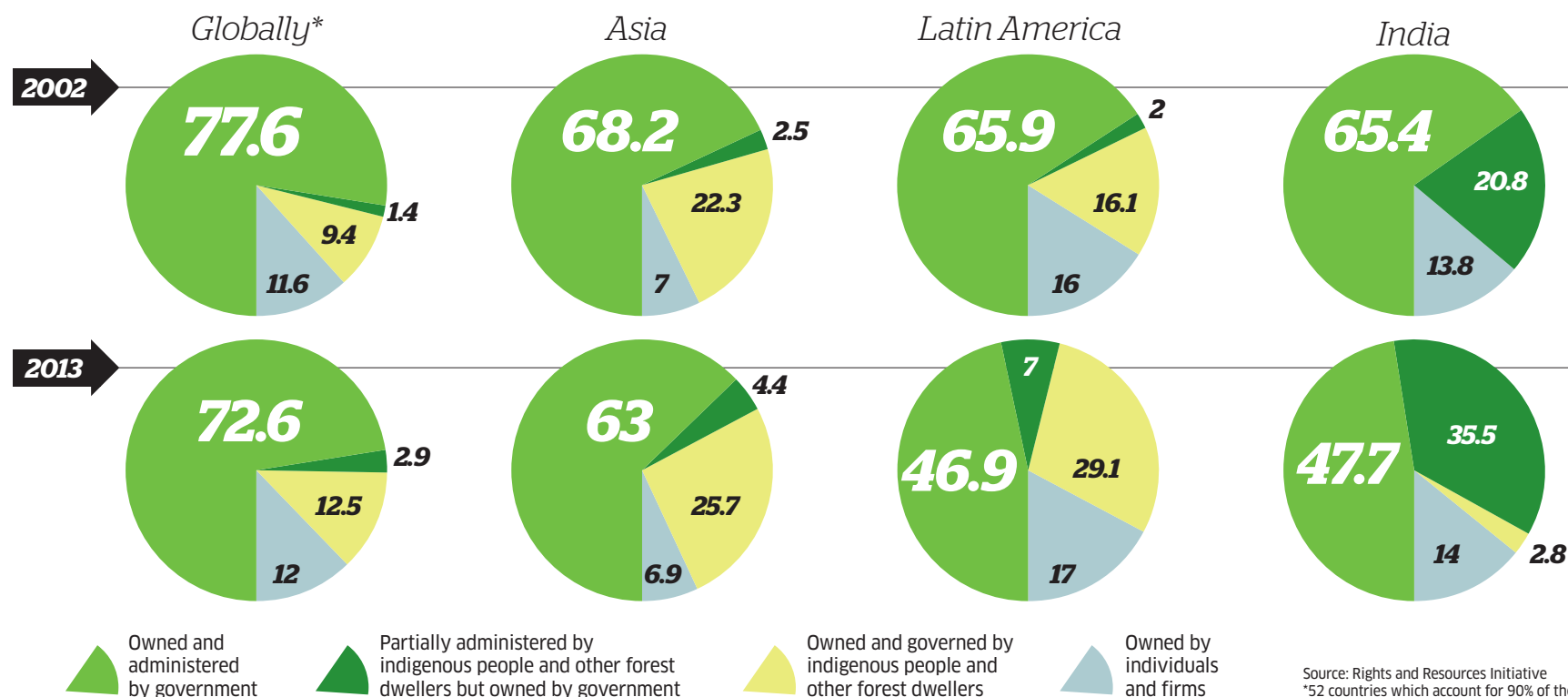


Maharashtra Leads in CFR Implementation



*Includes only those which have started implementing FRA, either individual or community, in a substantial manner and which have reported figures for CFR recognition
Source: Rights and Resources Initiative

India's Forest Dwellers Control a Much Smaller Proportion of Forests than their Counterparts Elsewhere



Lost in Transition

According to a study by the Center for International Forestry Research of 16 countries in Asia, Latin America and Africa, protected areas, which are managed by the government on average lost 1.47% of forest cover every year, while community-managed forests lost only 0.24%. The number of protected areas in India, including wildlife sanctuaries and national parks, has risen from 578 in 2000 to 702 in 2013. This is excluding tiger reserves and biosphere reserves

areas. Scheduled tribes' literacy rate is 59% compared to 73% for the country as a whole, as per Census 2011, and 47.3% of scheduled tribes in rural areas are below the poverty line, the highest for any social group, as per Planning Commission data for 2004-05.

Long Way to Go

While not long after FRA came into effect, the government started granting IFR titles, it was not until early 2012, the first village, Mendha Lekha in Naxal-hit Gadchiroli district of Maharashtra, was recognised under CFR. In the same year, the government amended FRA to make it more unambiguous and give more powers to the gram sabha. Gram sabhas got a shot in the arm when the Supreme Court in 2013, in a landmark judgement, ruled that the gram sabhas of 12 affected villages in Niyamgiri in Odisha would decide the fate of a bauxite mining project of mining company Vedanta Resources. All the gram sabhas unanimously voted against the project. Ironically, these villages have not yet got their CFR.

Sharachchandra Lélé of the Ashoka Trust for Research in Ecology and the Environment says while IFR is more a land right, CFR is an actual forest right, in that the people get to manage their forest on their own. "That's why the forest department has opposed it tooth and nail because it means loss of control: no bribes and no salaam [salute] to the DFO [divisional forest officer]." A

senior bureaucrat in the tribal welfare ministry of a south Indian state, requesting anonymity, admits that the forest department is in the way of CFR implementation. "It's true not just in my state, but in every state." Questions sent to the environment ministry and the ministry of tribal affairs remained unanswered.

There have been reports that CFR titles have been illegally given to joint forest management committees, instead of to gram sabhas, in Telangana, Andhra Pradesh, Chhattisgarh and Madhya Pradesh. NC Saxena, former secretary of the Planning Commission who headed a committee that looked at FRA implementation in 2010, says there is ambiguity in FRA about whether CFR titles can be given to such committees.

There has not been as much resistance from the forest department to IFR. "That's because the forest department did not control that land anyway," notes Saxena. That could be a strong reason why while as of February 28, out of 3.86 million IFR claims, titles

have been given for 1.53 million, or about 40%, CFR claims have been processed at a much slower pace, with only about 30% of 97,033 claims cleared.

The BJP-led Central government in June asked nine states – Karnataka, West Bengal, Bihar, Jharkhand, Himachal Pradesh,

Kerala, Uttarakhand, Telangana and Uttar Pradesh – to expedite FRA implementation, and recently asked states to review rejected claims. Several states do not report CFR numbers separately, ostensibly to couch low CFR figures in overall statistics boosted by IFR titles.

According to a recent report by RRI, Vasundhara and National Resources Management Consultants, around 40 million hectares of forest land in 1,70,000 villages, a fourth of India's villages, qualify for CFR. Less than 1% of the potential has been recognised. Maharashtra has been the top performer among states, recognising rights over 6% of the total eligible land (see *Maharashtra Leads in CFR Implementation*). "The recognition of CFR rights would shift forest governance in India towards a community conservation regime that is more food security and livelihood-oriented," says the report. While it is still early days, the effects of FRA are evident in those villages that have got the rights. For instance Sirasanapalli, a village in Khammam district of Telangana which got its CFR last year, reportedly auctioned 41,400 bamboo stalks for ₹26 lakh. Villages in Gadchiroli, Maharashtra, have also seen a rise in incomes. Naik of Bilapaka village says they have started selling more of wheat, potato, mustard leaves, honey and sal leaves, used in food and as plates.

Beyond Monetary Benefits

But the implications are not just monetary. "Whoever comes into the forest, even if it is the DFO, we make them write in a register why they have come and sign," Naik says, showing us the recent entry in his book made by forest officials from Jharkhand and Chhattisgarh who came to study the CFR process. But Mohan Hiralal, an activist who works with villages in Gadchiroli, says the fight is still

The larger the number of parties involved in decision-making, the greater the chances the decision would be in the broader social interest"

Madhav Gadgil, ecologist



very much on for villages long after getting CFR titles. "While gram sabhas can issue permits for transporting minor forest produce under FRA, the government does not recognise them." The flawed implementation of CFR notwithstanding, indigenous communities are known to manage forests better than the government. For instance, a study of 16 countries in Asia, Latin America and Africa by Center for International Forestry Research, released in 2011, found that protected areas, which are government-managed, lost 1.47% of forest cover every year, compared to just 0.24% in community-managed forests.

There is further backing from Nobel-winning economist Elinor Ostrom's work, which shows communities make sensible use of common resources by devising their own rules. Her research disputes the theory of the tragedy of the commons, which paints a grim picture of rational individuals exploiting common resources in self-interest, against the larger interests of the community.

In Brazil, deforestation in forests managed by indigenous communities between 2000 and 2012 was less than 1%, compared to 7% in other forests, which resulted in 27 times more carbon emissions there than in community-managed forests. Brazil started recognising the forest rights of its indigenous communities in the '80 and currently 28% of its forests are owned by indigenous communities.

Brazil was followed by other Latin American countries like Mexico (70% of forests owned by communities) and Bolivia (43%). About a third of Latin America's forests are owned by communities. "In Latin America, indigenous communities became quite organised after dictatorships. In India, while there was some mobilisation of scheduled tribes, there was nothing pan-India," says Kundan Kumar of RRI.

Gadgil says India should emulate Costa Rica's model of payments for ecosystem services. To tackle rapid deforestation (the country's forest cover dropped from 70% in 1950 to 20% in 1987), the country in 1997 started paying private owners of forest lands for protection, reforestation and sustainable management. The programme has protected 8,60,000 hectares and reforested 60,000 hectares. The country's forest cover has now grown back to 50%.

FRA has won praise from all quarters for being a very robust legislation that addresses the concerns of forest-dwelling communities like no other law before, but it does not amount to much being just on paper. Besides giving millions what is their due, FRA could also be a big fillip to the government's conservation efforts. ■

ET magazine VIEW

RIGHT THE WRONGS

Next to the public discourse on the notable legislation of the last decade like the Right to Information Act, the Right to Education Act and the Mahatma Gandhi National Rural Employment Guarantee Act, the attention on the Forest Rights Act, enacted in 2006 and in effect since 2008, has been muted. Recognising the rights over their land of the 150 million-odd forest dwellers, most of them from indigenous communities, which was never the government's to take, FRA was bold and much-needed, with the most important provision in it being community forest rights, which vest the powers to use and conserve forests with the dwellers.

Commendable as the intentions of FRA may be, its implementation has been middling at best and appalling at worst. Central to this is the indifference and, in some instances, deliberate meddling, of the bureaucracy, particularly the forest department, which stands to lose its prized and much-abused powers. It is high time the government realised it could not afford to let slip the one big chance to make amends to the iniquities the forest-inhabiting folk have been subject to.

Are Tribals Really Benefitting from the Forest Rights Act?

The administration may be under pressure to issue a large number of titles with little emphasis on quality of linkages with tribal livelihoods

:: NC Saxena

Over 70% of tribals reside in the central region of India, which though resource-rich, is home to the poorest. They have suffered due to the anti-tribal, market-oriented forest policies which depleted gatherable biomass, or due to displacement from their ancestral lands when these were diverted for other purposes. Tribals generally react to their pauperisation in anomie and endure their exploitation silently. In some areas, however, they have taken to armed insurgency. The middle path of agitational politics by organising *bundhs*, and putting pressure on the politicians, so successfully adopted by other groups in India, is unknown to them. If I were a tribal leader I would appoint Arvind Kejriwal and Raj Thackeray as my consultants who would teach us the art of confrontational politics!

In this context the prime minister's emphasis on faster implementation of the Forest Rights Act, so that historic injustice to the forest dwellers in independent India by wholesale classification of land under tribal possession as state property can be corrected, must be welcomed. However, my visits to the states show that administration is under pressure from the PMO to issue a large number of titles with little emphasis on the quality or linkages with tribal livelihoods. For instance, although counting both individual and community rights, more than 1.5 million titles have been issued covering 3 million hectares, in many places the area settled with the tribals is much less than their occupation; boundaries of the settled area are not demarcated; meetings of the gram sabha are being called at the panchayat level, as in Andhra Pradesh, and not at the hamlet or revenue village level as prescribed in the Act; and rejections are being done without assigning reasons. There has been little effort to improve productivity of assigned land by linking it with soil conservation works and with NREGA funds, or to clarify which department will maintain land records, and how succession would take place in case of death of the right holder. There has been no progress to convert forest villages into revenue villages, despite direction from the Supreme Court.

The picture is abysmally dismal when it comes to recognising community forest rights (CFR). Many states do not report area under CFR to the nodal Ministry of Tribal Affairs, or confuse it with development rights which are for diversion of forest lands for construction of a local school or an anganwadi centre. Only five states (Chhattisgarh, Maharashtra, Odisha, Rajasthan and West Bengal) have granted 3,539 CFR titles on 73,104 hectares. This number needs to be compared with what the ministry of environment & forests (MoEF) claims is the area of 22 million hectares under joint forest management with the local communities. So have we achieved merely 0.3% of our goal, or is MoEF exaggerating, as all government departments do?

There are glitches even in the limited progress made in some states. Chhattisgarh has not given right of ownership over minor forest products (MFPs) required under 3(1)(b) & 3(1)(c) of FRA on the ground that these rights have already been granted under the Panchayat (Extension to Scheduled Areas) Act (PESA). This contention is invalid as PESA covers only the scheduled areas, and not the entire state. Similarly Jharkhand has not recognised even a single new right in the last three years on the ground that tribals enjoy similar rights under the local Acts. These states should read section 3 (1)(j) of the Act which clearly includes within CFR all such rights that are recognised under any state law or which are accepted as rights of tribals under any traditional or customary law.

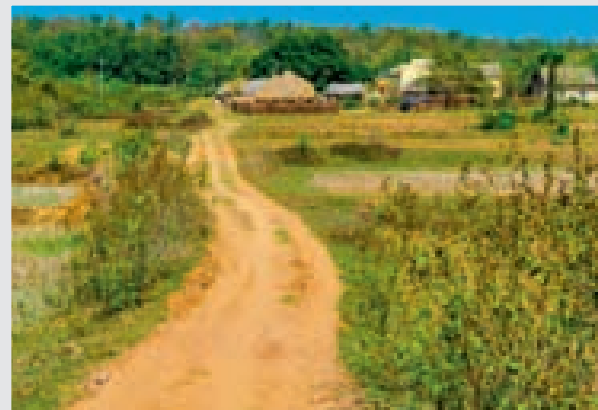
Mere granting of ownership over minor forest produce (MFPs) will not improve tribal livelihoods, as overall production of MFPs (except of tendu leaves) has fallen rapidly due to forest department planting species, such as teak (in place of sal), which yield no recurrent product for gathering. Therefore silvicultural practices should be radically changed to boost the production of gatherable biomass, and not merely

timber. We need crown-based forestry, and not trunk-based which benefits only markets.

Moreover, the important MFPs continue to be 'nationalised', that is, these can be sold only to government agencies. Despite prohibition of charging royalty under FRA, Odisha continues to impose royalty on MFP collection. MFP policies are often dictated by the desire to maximise state revenues, and not welfare of gatherers, who are often women. If farmers are free to sell their wheat and paddy in the open market, why restrict tribals from doing so? States should attract tribals by paying them support price rather than coerce them to sell to government agencies.

It must be emphasised that FRA does not ask for wholesale transfer of management to the local communities. Section 3 (1)(i) of the Act gives right to forest dwellers 'to protect, regenerate or conserve or manage any community forest resource' only when they have been traditionally protecting and conserving that resource for sustainable use. While there are excellent examples of local governance, the experience of north-east where most forests are under community control shows that sustainable management cannot always be taken for granted if government totally withdraws from the scene. Therefore, government should continue to provide technical support to the gram sabhas and monitor its sustainable use through encouraging regeneration of forests and ensuring not only higher production of MFPs but price support as provided to farmers so as to rejuvenate tribal economy.

(The author, a PhD in forestry from Oxford, chaired a government committee to evaluate FRA in 2010)



- **Although more than 1.5 mn titles** (individual and community rights) have been issued covering **3 mn ha**, in many places the area settled with the tribals is much less than their occupation
- **Boundaries of the settled area are not demarcated**
- **Meetings of the gram sabhas are being called at the panchayat level**, as in Andhra Pradesh, and not at the hamlet or revenue village level as prescribed in the Act
- **There has been no progress to convert forest villages into revenue villages**, despite direction from the Supreme Court

Gold IN THE Old

India has a little over 100 million seniors – roughly equivalent to the entire populations of Italy and Spain – compelling a host of companies to chase after this lesser bandied about demographic dividend

:: Rahul Sachitanand

Sixty-year old Preeti Kataria bristles at the suggestion that senior citizens like her need to lead a low-key life and leave all the fun to youngsters. The senior executive with realty company Kalpataru and her 62-year-old husband travel more and harder than people half their age – and show no signs of settling down to a docile, retired existence anytime soon. They have travelled the world as a couple, insisting on taking self-drive holidays, and taking up activities most would shy away from.

Last year they visited New Zealand and made an adrenalin-soaked holiday of it; they went hand-gliding, para-gliding and even bungee-jumping. They drove 2,000 km in two weeks as they toured the North and South Islands in search of adventure. Later this year, the Katarias (her husband, Pravindra, 62, is also her colleague at Kalpataru) plan to shift their holidaying another gear up, when they travel to South America for their next vacation. “We don’t like the idea of a bustling group tour...we like to take our time and see everything at our own convenience,” says Preeti. “We surf the internet and we piece together customised itineraries...being old is all in the mind.”

While the Katarias may be defying age, more sedate senior citizens have relatively mundane requirements – someone to keep them company, track their medicines and keep them safe from

intruders. Bengaluru-based home healthcare firm Portea gets almost half its business from senior citizen services, says founder Meena Ganesh. “We act as the healthcare manager for senior citizens,” she explains. “With many senior citizens staying on their own and the guilt and/or inability of children to take care of them, we offer an elder care plan to keep them updated.”

In the past 18 months, Portea has added some 40,000 customers, is present in 24 cities and plans to be in 50 in the next couple of years. “We see an entire range of senior citizens...from those who want to remain on their feet and be energised and active to those who are neglected,” she adds. Portea offers an entire breadth of services – doctor’s visits, nurses, collection of samples, and follow-up with specialists when required. The company uses technology to allow family members living far away to keep tabs on seniors and to know if elders fall or are prone to.

Living Life to the Fullest

This is just the comfort sought by 84-year-old Pandurang Pai, a retired banker who stays in Malleswaram in Bengaluru with his 80-year-old wife Sumathi. With both their sons in the US, the couple have enlisted with Portea to not just keep a track of their health, but also to keep them en-



BHARAT CHANDRA

Preeti (60) and Pravindra Kataria (62)

The Katarias are frequent travelers. They will head to South America later this month and, defying most age-related stereotypes, will try most adventure activities at hand

*We surf the internet and we piece together **customised itineraries...being old is all in the mind***

WHAT SENIOR CUSTOMERS NEED: Slower-paced itineraries, **more hand-holding during departure and arrival**, escalators, elevators and wheelchairs, and convenience for those on **dietary restrictions**

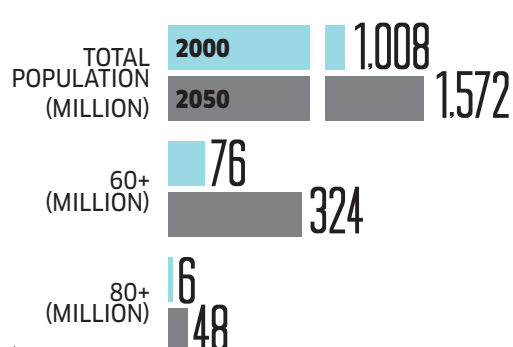


TRAVEL

MARKET POTENTIAL: According to a research by Amadeus and Frost & Sullivan in 2013, the market for outbound Indian senior citizens is projected to grow from **1.3 million to over 7.3 million over the next 15 years**. Thomas Cook India **expects the domestic segment to increase by a minimum of the same 7x multiple** – and on a much larger base

SENIOR CITIZEN SIZZLE

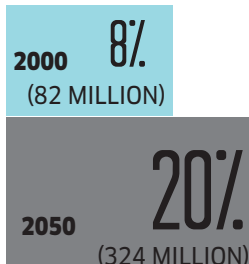
Seniors' Population will Grow Over 4-fold over 50 Years...



Source: UN, industry estimates

...and they will Account for a Larger Part of the Population

POPULATION AS PERCENTAGE OF TOTAL POPULATION



Overall population growth between 2000 and 2015

55%

Population growth of those in their '60s in this period

326%

Population Growth of those in their '80s

700%

By 2050, Jones Lang Lasalle, a real estate advisory, expects the number of senior citizens to equal the under-18 demographic



Sumathi (80) and Pandurang Pai (84)

The retired banker and his wife live on their own in Bengaluru and lean on support from Portea's aides to stay physically and mentally fit



Not only does our nurse give us the right advice and check whether we are taking our medicine, she also spends some time [with us]



HEALTHCARE

MARKET POTENTIAL: According to industry estimates, the market for home healthcare in India is worth **\$4 billion**, growing 20-25% annually

WHAT SENIOR CUSTOMERS NEED: Periodic checks, regular and close monitoring; **technology is expected to play a greater role with this demographic**, to enable remote monitoring of elder folk

gaged. "Both my sons...were worried about us as we are alone," Pai says. "Not only does our nurse give us the right advice and check whether we are taking our medicine, she also spends some time and we love to speak to her."

Senior life is increasingly about finding ways to live life to the fullest. While some like the Kataris are globetrotting, others are moving into swish senior residences to reside in comfort, with central kitchens, laundry and housekeeping services. Rather than succumb to the vagaries of an ageing mind and body, many are enlisting home healthcare services to keep a close eye on them and investing in tailored financial services products to build a safety net for emergencies. And if they do get lonely as they age, many of them are looking for – and finding – love in their old age.

India has for some time now been perceived as a market of the young; a recent United Nations report states that India has some 356 million 10-24 year olds, far more than any other country. Marketers have dived into this opportunity to hawk an assortment of products and services. However, in the last couple of years, another unexpected – and older – group is standing up to be counted. Senior citizens, those aged over 60 years, are nearly 100 million strong to-day and growing (see *Senior Citizen Sizzle* on page 20).

A Happy Retired Life

In a youth-centric economy, devising a product or service for seniors can be a challenge. Consider specialised medicine for this demographic. According to experts such as VS Natarajan, India's first geriatric specialist, there are fewer than 100 trained doctors in this field. While remuneration may be one reason, practising medicine with the elderly can be tough. Doctors can obtain a post-graduate (MD) in geriatrics only in five colleges in India and the degree was only recognised in 2012.

The good news is that there's a national institute for the ageing in the works along with seven regional geriatric centres nationwide.

"As people grow older and live longer, there

are more cases of Alzheimer's, dementia, prostate cancer and seniors are falling more," says Natarajan. "As the medical fraternity deals with the needs of this ageing population, more medical institutes will develop subspecialties such as geriatric neurology and orthopaedics to deal with their ailments." While the elderly are treated based on four parameters – medical, mental, functional and social problems – doctors also have to learn to avoid polypharmacy, or using four to six drugs at once.

Preeti Chhabria was a specialist in internal medicine in the US for 15 years; she moved to India two years back and set up a clinic for the elderly at Hinduja Hospital in the neighbourhood of Mahim in Mumbai. However, earlier this year, when Chhabria moved to Sir HN Reliance Foundation Hospital in southern Mumbai where she will be starting a geriatric clinic soon, the Hinduja clinic closed down. Such is the dearth of geriatric specialists like her in India.

In India, often doctors in their old age turn to treating older patients and become gerontologists. Chhabria is an exception. She says: "India as a nation seems to have developed a tunnel vision focused on the youth. We refuse to accept that this large young population in a matter of decades will become old." She sees some hope. "I just got an email from a young doctor who has passed out specialising in gerontology from AIIMS, New Delhi. It seems some young doctors are realising the scope." The demand too is muted in India. In the US, Chhabria says, the state through their medicare programme takes care of medical needs of people above 65. "In India, seniors somehow accept pain as a part of growing old," adds Chhabria, who loves to show her patients how quality of life can improve in old age with preventive gerontology.

Hip fractures and strokes are the two major events that can cause quality of life to deteriorate in old age, and Chhabria thinks both can be avoided with preventive care. The other need is psychiatric care. "Seniors start losing in old age; they lose friends, spouses, jobs, sight and control over body functions. All these can lead

to depression," she adds.

Even as age eventually catches up, seniors are also leaning on an array of living and health aids – supports, walkers, hearing aids and pill organisers – to keep them on their feet, or at least mobile. And as they get used to living alone, with the breakup of once joint families, they are learning to embrace technology (with senior citizen friendly phones from the likes of iBall, Philips and Panasonic) and in an age of increasing violence against the elderly, take proactive steps to keep themselves safe.

The rise of India's silver economy is opening up an unusual opportunity for companies. Company executives targeting this demographic dividend say that senior citizens are



HOUSING

MARKET POTENTIAL: According to real estate consultancies such as Jones Lang Lasalle and CBRE, there are **30-35 senior citizen projects built in India and dozens more under construction** or on the drawing board. Many, many more are needed



We have lived in cities for 40 years of our lives and we wanted to live away from all the hustle and bustle of a city, but with all the conveniences"

S Gopalakrishnan (62)

is looking forward to his retirement. The financial services veteran has purchased a house on Bengaluru's periphery and can't wait to move in.

WHAT SENIOR CUSTOMERS NEED: Wider entrances, **non-slip floors**, grab rails at entry and in various rooms, one or two person elevators, and **medical facilities within the complex** or in the vicinity. The more affluent can do with laundry services, housekeeping and a clubhouse



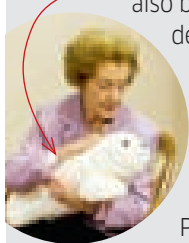
The Japanese Way

A decade ago, Japan's population declined for the first time and, over the next two or three decades, the Land of the Rising Sun will feel the full force of this demographic shift. According to forecasts from Japan's Cabinet Office, the country's labour force is expected to decline from 66.57 million in 2006 to 42.28 million by 2050. Already, a quarter of Japanese are over 65 and this will increase to a third by 2030. These data points have compelled companies across industries to innovate for the elderly. According to government data, two sub-categories – those between the age of 60 and 69 and over 70 years of age – are mostly well settled and have better purchasing power than those decades younger.



This has pushed companies ranging from auto giants such as Honda and Yamaha to offer custom-built wheels for seniors; the likes of

of **ThyssenKrupp**, best known for its range of elevators, to **devise aids for those with mobility challenges**; homegrown fashion label Otto, used to dealing with customers aged 35-55 since the '80s, have tailored fashion and fit as their patrons have aged; and **Fujitsu's Raku Raku (easy) phone**, custom-built for the aged, has racked up sales of over 20 million units since the launch. An **elderly care Robot named Paro** has also been



designed to act as a companion for senior citizens in hospitals or care homes. Japanese giants such as Panasonic too are

bullish on this opportunity, providing home makeovers to make kitchens, bathrooms and living rooms more senior-friendly and hawking aid products to help them live a more comfortable life. Even Nintendo, the gaming company typically focused on the young, is targeting its consoles at the Japanese elderly, as everyone scrambles to mine this rapidly greying market

Dr VS Natarajan (75)

has three decades of experience treating senior citizens, and as patients line up, there's no sign of rest for India's first geriatric specialist



*As the medical fraternity deals with the needs of this ageing population more medical institutes will develop subspecialties such as **geriatric neurology and orthopaedics** to deal with ailments of the ageing"*



MEDICINE

MARKET POTENTIAL: Elderly health problems are complex and require special skills for management and hence the **need to develop geriatrics as a separate specialty**. There are no more than **100 geriatric specialists in India** and barely five institutes providing a post-graduate degree in geriatrics

benefiting from having a much longer post-retirement life than their predecessors. And, to make the most of these years, they are looking for stable monthly incomes, avoiding market volatility and preferring to have returns 2-3% more than bank fixed deposit rates (net of tax) to lead a happy retired life.

"Seniors prefer to have a fixed monthly income and avoid the churn associated with playing the markets, to grow their wealth" says Nimesh Shah, managing director & chief executive of ICICI Prudential Mutual Fund. He adds: "In the long run, equity markets have delivered better returns over other asset classes. We want seniors to not shy away from market volatility as there are products available which provide an opportunity to benefit from it and mitigate risk."

ICICI Prudential's Balanced Advantage Fund is a product that aims to address such investor requirements. The fund uses an algorithm for asset allocation between equity and debt; allowing it to invest more in equities when markets are cheaper and shifting to debt when markets rise by booking profits. This dynamic asset allocation model helps to tackle market volatility favourably.

Senior citizen themselves say that the benefits of these financial services products are welcome, but these companies need to do more for this demographic. "Senior citizens need to be dealt with more patience and need to be explained the nuts and bolts of an account or policy better," says Vijay Aundhe, a 74-year old retired banker who operates multiple senior citizen accounts and mutual funds. "We are a stable demographic who often have mobility issues...initiatives like home banking may help us more than feature-rich products."

Some banks seem to be listening. "It has been six months since we launched targeted

WHAT SENIOR CUSTOMERS NEED: Specialists dealing with senior citizens that look at the big picture – a slight rise in blood sugar, for instance, may mean little **if an 80-year old is otherwise healthy**; doctors generally advise that **older patients tend to live with a number of ailments, whose treatment needs to be balanced**

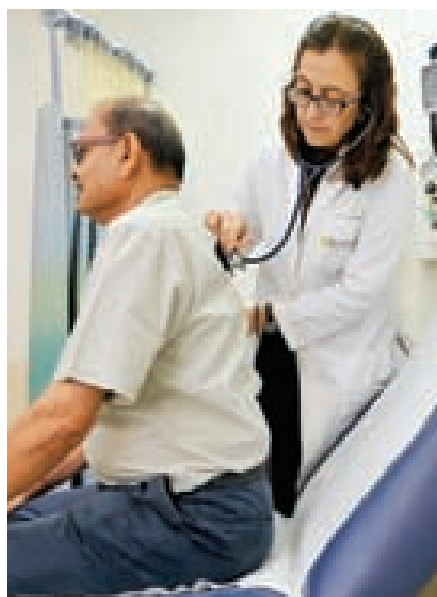
products for this age group and we have been pleasantly surprised by the popularity," says Sumit Bali, senior executive vice-president and head – personal assets, Kotak Mahindra Bank. "These customers are retiring at the same age, but living longer. They are willing to listen to investment advice to make their savings last longer. A few banks such as Kotak Mahindra offer priority service and home delivery of cash to try to attract more senior citizens."

The old way of thinking – and doing business – seems to be giving way to the new. "India's demographics have changed...younger folk now earn their own income and senior citizens don't have to worry about leaving an inherit-



*India as a nation seems to have developed a tunnel vision focused on the youth. **We refuse to accept that this large young population in a matter of decades will become old"***

Preeti Chhabria, consultant, internal medicine, Sir HN Reliance Foundation Hospital



ance behind," says Rahul Upadhyay, founder of Seniorsshelf.com, a website focused on the needs of seniors. "India has the second largest population of elderly in the world – almost 10 crore total – and this is a massive opportunity for these companies." He points out that in the past 12 months that his site has been operational, it has racked up some 40,000 users, with 500 more being added every day. "Customers aren't aware of most of these products or they think they are expensive," he adds. "We have already catalogued 3,500 products on our site and are adding dozen more."

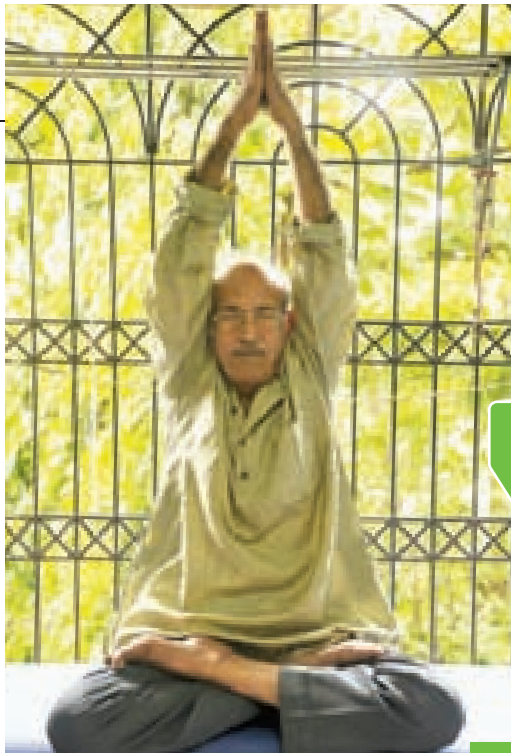
As they zero in on this new opportunity with the old, companies are realising they have to deal with this demographic rather differently. For example, travel giant Thomas Cook spent six months at *Chai par Charcha* organised by the Dignity Foundation to try to understand senior citizen travellers better. This resulted in Thomas Cook discovering two distinct sets of travellers in this age group – the first one a more cautious bunch, often of first timers and the second (like the Katarias) a more adventurous group, willing to push the envelope.

"With senior citizens too, travel is no longer a luxury, but a necessity," says Shibani Phadkar, senior vice-president and head – leisure travel (outbound) products, Thomas Cook India. "Senior citizens want to be handheld more. They are particular about their diet, and schedules need to be carefully constructed keeping in mind their limited mobility." However, backed with growing financial independence, backed by an occasional top-up from their children, many seniors are opting to push the envelope when they go on holiday."

Soaring Demand

According to real estate consultancy Jones Lang Lasalle, the current demand for senior housing in India is about 3,00,000 units. That's only a fraction of the potential in India, reckon industry executives. "The idea is to provide a lifestyle suited to seniors... giving them the freedom to lead a better life," says Brotin Banerjee, managing director and chief executive of Tata Housing. "A significant section of seniors today are financially well off, independent... well-travelled with an openness to spend their retirement in a senior living home." Tata Housing has invested ₹1,200 crore in this initiative and its first unit called Riva Residences opened in 2013 in Bengaluru. The company has been deluged with over 4,000 enquiries for these units.

S Gopalakrishnan, a retired financial services executive, is someone who is looking to move from the chaos of Mumbai – and an apartment on the tony Napean Sea Road – to the calmer confines of a Riva Residence. "We have lived in cities for 40 years and we wanted to live away from all the hustle and bustle of a metro, but with all the conveniences," says the 60-year old.



BHARAT CHANDA

Vijay Aundhe (74)

thinks senior citizens are a force to be reckoned with as customers for financial services companies. He has been practicing yoga for the past 15 years to keep his mind and body nimble, and says banks and other institutes too need to be alert to the needs of this demographic



We are a stable demographic who often have mobility issues...initiatives like home banking may help us more than feature-rich products"



FINANCIAL SERVICES

MARKET POTENTIAL: According to estimates, **barely 5% of senior citizens have health insurance, 5-10% hold bank accounts**

WHAT SENIOR CUSTOMERS NEED: **Stability with their investments, prefer to have people visit them and opt for simplicity in policies, accounts and statements**

senior citizens," adds Parasrampuria.

Gutsy seniors, determined to stay on their feet, are using a combination of healthcare and technology to their benefit. As they learn to adjust to living alone, with children and younger relatives visiting infrequently, they are looking for new ways to stay sprightly. For example, Sujata Kumar works as a vice-president with a large aviation company in Doha, Qatar. Her mother, Leela Kumar, is based in Delhi and is 75 years old. A retired teacher, she has been suffering from a serious kidney condition, but even after her husband passed away 16 years ago, she is determined to keep busy. "We therefore looked for a solution which would allow my brother and me to be in control of her medical treatment," says Kumar.

The duo have opted to sign up with Bengaluru-based Portea to stay updated with her mother's condition. Portea's panel of doctors did a full assessment of her medical condition

and implemented a care plan which included monthly visits from general practitioners, regular tests and nursing assistance. They even connected her to a specialist doctor and have taken responsibility for ensuring that the doctor's recommendation is followed through. "We started using the service in April this year and have since had the peace of mind that my mother's treatment and nursing care are being well taken care of and responsibly followed through," she says. With her medical documents available online, the Kumars say their mother feels more confident to be able to retain control over her life and take her own decisions.

A Feat to Look Forward to

Even as senior citizens become more independent and aim to lead richer post-retirement lives, many admit that staying alive may be a feat. "The single most common concern that people voice when enlisting our services is security," says Shirsha Guha, founder of Deep Probeen Porisheba (DPP), a provider of elder services in Kolkata. "As of now we have not come across a gadget or device that satisfactorily addresses the [safety] needs of seniors."

DPP, then, relies on a small team of trained and vetted *sahayaks* or helpers to keep its senior citizens company and keep them safe. "Regular reports are sent to family members...in cases where family members are outside of Kolkata, a local designated emergency contact is always taken," she explains. Senior citizens are vulnerable, with a report by the UN Population Fund in 2011 revealing that security was cited as the third biggest threat for the elderly in India after health and financial woes.

To try to keep a close eye on senior citizens, DPP has put in place multiple levels of quality control and tracking and screening. "But most of all, we try to be a part of the family," adds Guha. "We try to make them feel like they can turn to us whenever they need something, not just the senior citizen we serve but their children and families as well."

While companies may be chasing after these senior citizens with a slew of products, it just may be a safe walk in the park that makes their day. ■

(With inputs from Suman Layak)

The Other Markets

LIVING AIDS



MARKET POTENTIAL:

Industry estimates peg the market size at ₹28,000 crore (including all types of living and medical aids); expected to more than treble to ₹96,000 crore in the next five years

WHAT SENIOR CUSTOMERS NEED: **Patience and product awareness from the seller**

SECURITY



MARKET POTENTIAL: In a report by the UN Population Fund in 2011, security was cited as the third biggest woe of the elderly in India after health and financial problems

WHAT SENIOR CUSTOMERS NEED: **A trusted third party to keep a watch over them**

MOBILES AND ELECTRONICS



MARKET POTENTIAL:

According to a recent survey by Telenor, **only 6% of people over the age of 50 own a mobile phone connection**. With **smartphone prices falling below ₹5,000 and data speeds improving**, increasingly proficient seniors could be a nascent target market

WHAT SENIOR CUSTOMERS NEED: **Rather than feature-rich smartphones, which intimidate them, they prefer simpler handsets, with larger keypads, clearer displays and some safety functions too**

ETmagazine VIEW

A COUNTRY FOR OLD MEN, AND WOMEN

In a country fascinated with the young, the old are trying to have their day in the sun. Compared to the frenetic action around hawking products to millions of India's tweens, teens and young adults, selling to the elderly appears to be a drag.

They ask more questions, take longer to decide and are often swayed more by emotion than logic – by sticking with a banker who comes home, asks them about their grandkids, rather than the pushy one proffering a higher interest rate.

However, as India ages, it is inevitable that this demographic – and indeed those who will grow old in a decade or more – is courted. From a country blessed with a demographic dividend favouring the young, India will grey quickly over the next couple of years – a fifth will be over the age of 60 by 2050 according to the UN – and it may be time for companies and brands to think old, for a change.

Two years ago, the Coimbatore native booked his property at this development and can't wait to move in. "We don't have to cook, since there will be a central kitchen, don't have to depend on erratic domestic help and for a cost, even medical assistance is taken care of," he says. This promise has made him book two units here and purchase another retirement home in his hometown. According to industry estimates, there are as many as three dozen senior living homes operational.

If senior living homes is perhaps the largest and most visible category for elders, then mobile phones, an industry obsessed with marketing to the young and the hip, may have unlocked a hidden opportunity at the other end of the age scale. According to estimates from handset makers and retailers, there are at least a dozen handsets targeted at senior citizens. For example, iBall, a consumer electronics firm, launched its Aasaan phone for seniors three years ago and will soon unveil the third generation of this device soon.

Peace of Mind

"Senior citizens have different requirements from their phones," says Sandeep Parasrampuria, director at iBall. "Age, sight and hearing are all factors that they consider when they buy a phone and our phone can even blow a siren when they are in danger." The iBall Aasaan phone has large buttons, larger characters on screen and has an enhanced speaker to improve audio.

The latest generation of the phone will be fitted with a hearing aid-like device, he claims, to further improve audio for older users. "We have also added some direct keys to this phone to enable simpler access to basic apps to make its use as simple as possible for

Senior Citizens have some Key Challenges

LIVING



40% of them live alone

10% of them need help with daily activities

HEALTH

30% of seniors have health concerns

Back & joint aches, cardiac ailments and diabetes are the main concerns

LIFESTYLE

Travel and health the biggest expense after food

Leisure activities to pass time a key need

Barely 8% shop online regularly



Gliding Along the Swiss Alps

A breathtaking outing through the white peaks of Jungfrau, Mönch and the picturesque viewing point of the Jungfraujoch



1 The Bernese Alps are striking and present an idyllic picture with snow-capped mountains and cows grazing on grassy slopes; **2** A closer look at the snow covered peaks and valleys from the Jungfraujoch; **3** One of the many trains operated by Jungfrau Railways, with the spectacular peaks in the background; **4** When the skies are clear, the Jungfrau looks so near, almost as if you can touch it; **5** Traditional Alphorn blowers on the Jungfraujoch

and seemingly insurmountable. But I discovered that it took just around two hours and three trains to reach the Jungfraujoch, the lowest point between Jungfrau and Mönch peaks.

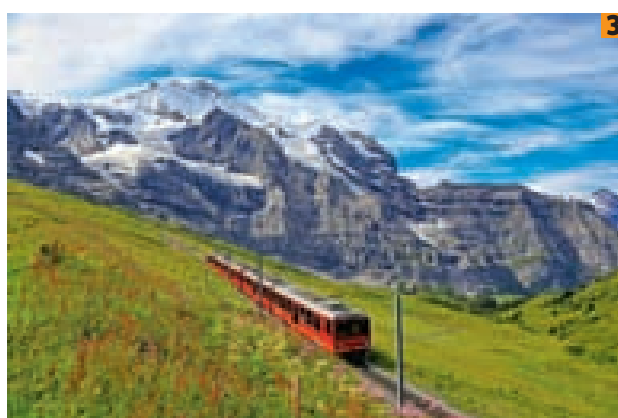
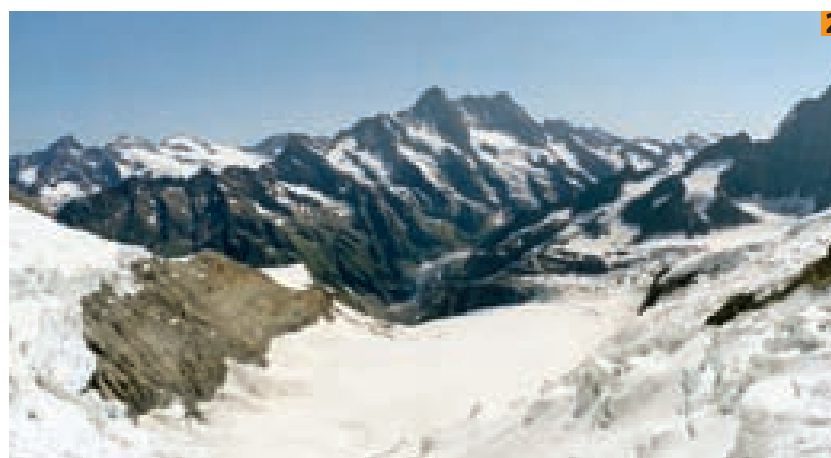
Striking Scenery

The train journey itself, accomplished using a network of trains run by Jungfrau Holding AG, was an incredible experience. The train from Interlaken to Grindelwald and a second one from Grindelwald to Kleine Scheidegg, passed by lovely hills and valleys, crossed streams and lush green meadows with grazing cows, punctuated by the sound of the iconic cow bells. It all seemed far too idyllic. At Kleine Scheidegg, things got a little dramatic. I could see the track climbing rather steeply for a little while before disappearing into the mountain Eiger. Once inside the train, I felt the incline was much more than it seemed but it soon entered a tunnel and there was only the light of the coach while all else outside was dark and mysterious. It also steadily got colder, setting the tone for the top. The train stopped at two points, Eigerwald and Eismeer, and I walked out on to the station to peer from holes cut into the

:: Anita Rao-Kashi

The air was crisp and fresh. An occasional gust of a cold breeze was a gentle reminder that the temperature was hovering somewhere around the zero degree mark, and yet it was not uncomfortably cold. The snow lay in thick layers, and under the sharp mid-morning sun, it dazzled brilliantly white, painful to look at with the naked eye. The top layer was loose and crunched under the boot, making one slip and slide, but it was exhilarating to gaze at the white peaks of Jungfrau and Mönch from the Jungfraujoch – the viewing point between the two mountains in Switzerland.

It was also a nice change from the plains which were reeling under an unusually long heat wave, pushing temperatures to the mid-30 degrees, something unheard of in Switzerland. For two days I had gazed at the Jungfrau peak, dubbed the Top of Europe, which sat directly opposite my hotel Victoria Jungfrau in Interlaken. Shielded by thick clouds at times and bathed in bright sunlight at others, it was however at its dramatic best in the evenings, drenched by the orange glow of the setting sun. It seemed like a silent, brooding presence, rising into the sky



The author is a Bengaluru-based travel and food writer

PHOTO CREDITS: ANITA RAO-KASHI, GETTY



FACTFILE

Jungfrau is one of the main peaks of the Bernese Alps and is easily accessible from Interlaken.

How to get there: Fly to Zurich on Swissair which offers the best direct connections to Switzerland from Mumbai and Delhi. From other cities, connect via domestic flights to these metros or opt for other carriers though it will mean transiting through either Europe or the Middle East. From Zurich, it's a two-hour train journey to Interlaken.

Where to stay: Interlaken has a number of options or you can even choose to stay at one of the other little towns in the area such as Gindelwald or Wengen. However, Interlaken's Victoria Jungfrau (<https://www.victoria-jungfrau.ch>; +41 33 828 26 10) is not only a 150-year-old hotel, full of charm and elegance, but also has enviable views of the Jungfrau in front and Harder Kulm at the back

6 Tunnels inside the freezing Ice Palace on the Jungfrauoch; **7** Details of sculptures inside the Ice Palace; **8** The dense ice had been carved into a series of tunnels with sculptures of flying birds and fierce bears; **9** One of the many little villages, perched prettily on the slopes, on the way to Jungfrau; **10** Jamaican sprinter Asafa Powell and Swiss cross country skier Dario Cologna participate in a unique 100-metre dash on the Jungfrauoch, at a height of 11,333 feet; **11** Asafa Powell teams up with local Swiss kids for a friendly relay race on the Jungfrauoch; **12** Mount Eggishorn in Bernese Alps

mountainsides. Coming from the dark, the sights were stunning: in front of me were valleys and peaks covered in snow. The stops, in effect, served as a kind of curtain raiser for the final destination.

After about 50 minutes, during which it got colder, I reached the Jungfrauoch at an altitude of 11,333 feet. The place was buzzing with people, excited to encounter snow and I stepped out to squish around. It was a novel experience. When the novelty wore off a bit, I headed towards the unique Ice Palace. Since this was also the location of the Aletschglacier, the longest glacier in the Alps, the dense ice underneath had been carved into a series of tunnels with sculptures of flying birds and fierce bears located every few feet while the light cast an eerie glow and shadows. It was surreal to be walking on ice, with ice for walls and ceiling; the

ground was almost glassy and slippery and it was difficult to move about without holding on to the railing.

But soon, I was outside on the snow again and loved the feel of sharp sun and icy ground. I had chosen a rather unusual day for a visit and all around me, there was suppressed excitement. The Jungfrau (German for young maiden) was not only stunningly beautiful and a huge hit with the adventurous at heart but also something held very dear in the local psyche. And it was being celebrated with a remarkable event – a race between the Jamaican Asafa Powell, the world's second fastest athlete, and the Swiss Dario Cologna, world champion cross-country skier. While the altitude was familiar hunting grounds for Cologna, Powell confessed he'd never run at such an altitude. A 100-metre track was laid out, the dark turf a



stark contrast to the snow. Alongside was a long strip of pristine snow for the skier. Providing that essential Swiss flavour were a handful of Alphorn blowers accompanied by massive cow bells. I wandered around the arena to get a feel of the place even as I listened to the good natured banter between the two as they warmed up, egging each other on and vowing to win the race.

Avid Emotions

Soon it was time for the starting whistle and both the athletes braced themselves against the starting line. Expectation ran high and the thrill of such an encounter buzzed among the gathered crowd. A sharp shot signalled the start and they were off, aided by much shouting and cheering. As they raced to the finish line, the cheering got louder and it ended in a result that was as unusual as was the whole event – a photo finish. Applause and backslapping followed, and it was all over.

Still running high from the extraordinary event, I wandered around some more. It was fun to watch kids squeal as they slid down slopes on toboggans or watch them zip across on a zipline suspended many feet above the snow. Across the valley and on the slopes, I could also see hikers gingerly make their way, kitted out in special shoes and equipment. But I was content to just laze by and let the serenity of the peaks and the muted excitement of children wash over me.

Soon, however, it was time to head back and the train journey downhill seemed to go much faster. There were no stops on the way down through the tunnel, but from Kleine Scheidegg, the scenery was as riveting as it had been on the way up. However, no matter where I was, it felt like the Jungfrau was constantly in the background, peeking from between trees and buildings, its tip shining bright in the sun. Hours later, as I was readying for bed, the Jungfrau's tip was still aglow in the dying rays of the summer sun. It seemed to be smiling. Or it was just my overactive imagination. But the peak had definitely ensnared me in its charm and magic. ■

After the Longest and Darkest Hour, is this a Real Dawn?

Details on the “historic” peace accord between the Indian government and Naga resistance are sketchy although it does seem that the indomitable may have finally surrendered to the inevitable

:: Harish Nambiar

Nagaland is a very inhospitable place for the Indian conscience. In the crucible of ethnic, social and political conflict that is the north-east, Nagaland is the metaphor of a right cause being wronged by numbers, history, and above all else, unethical might.

In his seminal work on the Naga movement, *Nagaland: The Night of the Guerrillas*, Nirmal Nibedon had put it rather well when he said that the Naga fight was the fight of the indomitable against the inevitable.

When prime minister Narendra Modi announced the “historic” accord with the National Socialist Council of Nagalim, Isak-Muivah faction (NSCN-IM) this Monday, the indomitable seems to have finally surrendered to the inevitable. He was flanked only by the IM’s stocky general secretary Thuingaleng Muivah, not its cofounder, the slim Isak Chishi Swu. The council’s chief SS Khaplang had already broken up with NSCN, underlining the fractiousness of Naga nationalism once again.

Cautious Optimism

The Naga insurgency as well as Naga nationalism, long fractious since AZ Phizo, has continued to dismember any consensus that might raise its head.

Naga nationalism, an early 20th century phenomenon, was born as much of a need to settle inter-tribal conflicts by tribal consensus as by an over-arching commonality brought in by Christianity. It took the form of armed resistance to the Indian state after Independence. Despite the formation of the state of Nagaland in 1963, the final form of consensus never held.

After Phizo inspired a spirited resistance, the closest to consensus with the Indian state was through the Shillong Accord of 1975. Oddly, the NSCN-IM, the current representative of the Naga resistance, was born out of the disagreement over that accord.

The NSCN was pressured by the advanced years of the kilonsers (ministers) of the outfit. As it is, the other half of the official NSCN leadership, Isak Swu, was in a hospital the day the deal was announced.

As reports from the ground said, there were “no crackers or festoons” in Kohima or Dimapur and the people seem to be cautiously optimistic about the possible end to the intractable “longest insurgency” of the world.



“It is too early to talk about creating political space for Muivah and his team. Moreover, going by what government interlocutor RN Ravi has said [about ‘shared sovereignty’], we will have to wait for the details of the agreement that was signed on Monday,” Chuba Ozukum, president of Naga Hoho, the apex body of all tribal communities of the state, told *The Indian Express*.

Nagaland has benefited from India’s rather debauched generosity. Pouring in Central funds into the state, paving the hill with 370 km of national highways, and another 1,094 km of state highway built by the Border Road Organisation, investing into infrastructure in a big way, opening up schooling and higher studies options to the 67% literate by 2005. These furrowings into the Naga Hills has had the longtime goal of exposing the Indian state. It has leaked India into a state rarely exposed to the rest of the country.

Purusottam Nayak, a scholar from North Eastern Hill University, updated that data in a 2013 paper on development in the state. “Increase in road length dur-

ing the period from 2004-05 to 2010-11 has not been quite satisfactory in comparison to a few smaller states in the region like Mizoram and Sikkim. If we compare in terms of population served for each kilometre of surfaced road, Naga-

land however is the second best state in the region after Arunachal Pradesh but far behind all India situations. Besides, road transport has been handicapped by poor maintenance. Data on number of vehicles reveals that Nagaland is one of the leading tribal states in the region and number of vehicles is increasing at a faster rate compared to other sister states.” Nayak’s paper, which compares Nagaland only to its neighbours, also notes that by 2011

the state’s literacy rate had jumped to a whopping 80.11% and school enrolment registers 50% girls.

Road to Transition

This intervention by New Delhi in the fraught state has had another fallout. Many of the younger generation flocked to Indian universities and college campuses throughout India. The ease of reservations helped the “tribal” youngsters get

into higher education and professional courses across the country. Many fought fears, reservations and the racism of college-yard bullies, but also persevered. This is the single most significant factor that eroded the edge of Naga nationalism in the new generation of Nagas. As Nayak notes, the state has embraced consumerism through its best indicator, ownership of cars, and is moving faster on that lane than any of its neighbours. That underlines why roads matter in a hill state.

If the latest Naga accord is everything its most optimistic reading promises, it would underline one of the most resilient truths of ancient statecraft. The might of state can, and often does, overwhelm some fair and just cases of minorities. What the development of technology has done is make this transparent. Nagaland recorded the highest turnout of voters in the 2014 general elections that delivered the Bharatiya Janata Party’s Modi to prime ministerhood. India’s prime kilonsers. The state recorded an incredible 87.82% of qualified voters casting their choice. Nagaland, a primarily Christian state, did not vote for the Hindu rightist party Modi leads, of course. But its voting percentage did put out a more obvious statement to the mainland the Nagas call India.

It was a call for moral governance. It is crucial to heed this message. Primal instincts of several indigenous peoples in India have connected to this basic and, at times, seemingly easy connect, between morality and power. Whether in Niyamgiri, Naga Hills or the north-east in general. In Hindu terms it would be *Rashtra Dharma*, as a former BJP prime minister so evocatively named it, choosing an ancient code.

It also helps that in 2014 the other state whose sensibility is primarily governed by a religious idea of morality, Jammu & Kashmir, delivered the lowest percentage of voter turnout with 49.52%.

The Indian nation-state’s policy of tiring out insurgencies and militant manifestation for self-respect and self-governance cannot be a sound policy any more. It says India does not care about deaths of people it calls its disagreeable citizens, and then helps push them into bodybags. ■



The writer, a former journalist, now travels and writes

High-end Sport

The following sports are all about access. If you want to pursue any of these, be warned, they have the potential to burn a hole in your pocket:



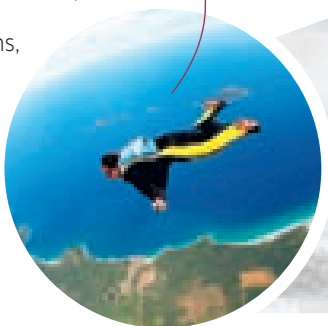
Equestrian: Equestrian is a sport of the elite. The costs of training and maintaining a horse for the events can be astronomical and include traveling to various events. The cost of exhibiting a horse on the international circuit can exceed \$2,00,000 a year

Hot Air Balloon Racing:

A one-hour ride on a hot air balloon means that an individual would pay upwards of \$300 for it. A one person hot air balloon costs at least \$20,000 to buy. Training for a pilot's licence can cost anywhere between \$1,250 and \$3,000



Wingsuiting: Wingsuiting is the sport of flying the human body through the air using a special jumpsuit called a wingsuit. The wingsuit costs about \$2,500. One has to take skydiving lessons, purchase gear, rent a plane, pay a pilot and also pay insurance. Recreational wingsuiting can cost up to \$30,000 a year



Bobsledding:

Similar to F1, bobsledding requires corporate sponsorships. The bobsleds themselves cost around \$25,000. Constructing a bobsled run can cost millions of dollars. Bobsledding is a team sport and requires four participants and hence four times the cost



Ski Jumping: Competitive ski jumping can be exponentially pricey. The equipment will cost around \$2,500. Expenses range around \$1,00,000 every year and call for a bevy of sponsors. One also needs to have an insurance policy ready



Polo: It requires the purchase of an elite horse and ponies must be exercised regularly and this usually requires two grooms at \$2,500 a month. Tournaments can cost anywhere between \$3,500 and \$1,50,000. To be a patron and sponsor polo teams in tournaments can cost anywhere between \$3,00,000 and \$1,000,000



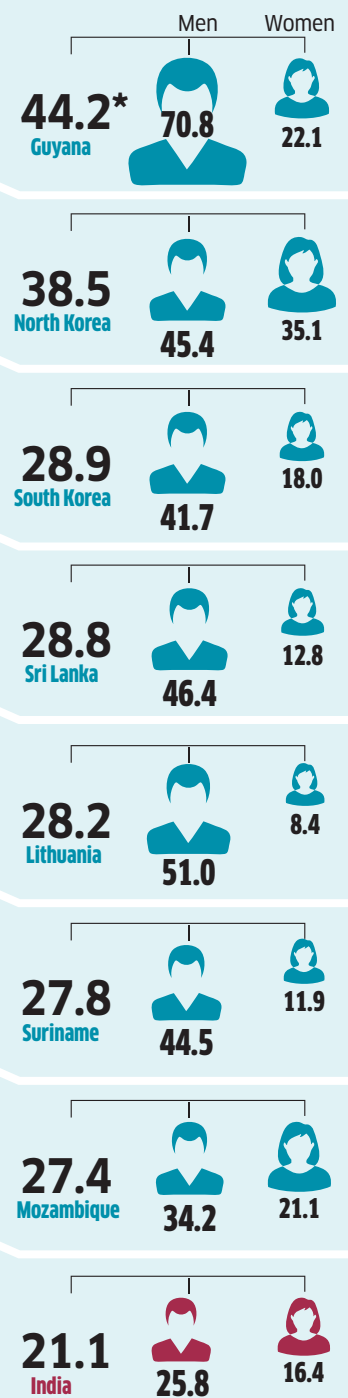
Formula 1: A race costs about \$1,90,000 per participant. There is a reason why the cars and athletes look like walking advertisements. The cost of the cars are astronomical and the tyres usually cost more than the average civilian vehicle



Sailing: A vessel can cost up to \$100 million. The other problem is that the sport takes place over a few months. The rest of the time the boat has to be stored and this is where most of the money is spent. It is an expensive task to make sure the boat is suitable to go back in the water

SUICIDE STATS

According to the World Health Organization, every 40 seconds, a person commits suicide somewhere in the world. Here is the index of countries with the highest suicide rates. India is placed 12th in the list.



*NUMBER OF SUICIDES FOR EVERY 100,000 CITIZENS
Source: list25

SOURCE: THERICHEST, WIKIPEDIA

WEEKLY VECTOR

Cecil's Not the Only One

After an American dentist paid \$50,000 to kill Cecil, Zimbabwe's most famous lion, trophy hunting in Africa has come under scrutiny. Ever wonder how many lions got killed every year in Africa? The latest data available is of 2013 but still paints a grim picture:



150
Tanzania



49
Zimbabwe



30
Namibia



25
Botswana



22
Zambia



18
Kenya



15
Mozambique

SOURCE: LIONALERT, WIKIPEDIA, NEWS REPORTS

Let's Talk About...



THE MUPPET CHARACTERS?

Yes.

WHAT ABOUT THEM?

It's splitsville. The lovable Kermit and Miss Piggy terminated their relationship of almost 40 years.

IS THIS SUPPOSED TO BE A JOKE?

No, the two broke the news in a joint statement on Facebook on August 4. It said the decision was difficult and had followed "thoughtful consideration and considerable squabbling".

WHAT DID THE TWO HAVE TO SAY?

"Piggy made my life a bacon-wrapped hell on Earth," Kermit lamented. Piggy, meanwhile, said,

KERMIT AND MISS PIGGY

PEOPLE, PLACES AND THINGS MAKING HEADLINES

"Dating Kermit is like flying close to the sun".

DUH! SOUNDS ROUGH...

Yes, but the two did have an odd relationship, so the breakup isn't the biggest surprise, but it sure makes us sad anyway.

REACTIONS IN THE INDUSTRY MUST BE REALLY SAD...

Yes, Kermit and Miss Piggy's inability to make it work inspired mourning from fans and celebs alike.

Many expressed shock over the split, while others looked to the Muppets' romantic future.

BY ANY CHANCE, IS THIS SOME SORT OF A PUBLICITY STUNT?

Can't say. The cynics pointed out that the breakup might be a propaganda to promote *The Muppets* TV reboot which premieres on ABC next month.

WHAT LIES AHEAD NOW?

The two said they would continue to work with each other but see other 'people, pigs, frogs, et al'.

IT'S NOT EASY BEING GREEN THEN...

Yes but Kermit has already moved on. He has confirmed that he is dating another pig named Denise, who works for ABC.

ANOTHER PIG?

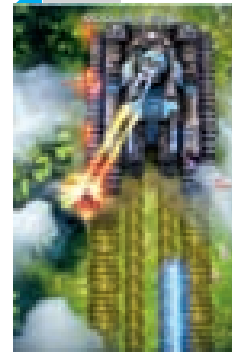
Well, Kermit was unrepentant about his predilection for porcine partners. "What can I say?" he shrugged. "... I'm attracted to pigs," he added.



Sky Force

App for Android
Get it for: Free

Sky Force on Symbian phones was a huge favourite, so when the developers did a complete revamp with gorgeous new graphics, we were instantly smitten. The developers have launched various versions of the game over the years, the latest one being the 10th anniversary edition. The first thing you notice are the console-style graphics – the water ripples, lightning strikes as well as impressive details on the fighter jets. The basic gameplay remains unchanged – you touch and hold the



screen to move your jet around and weapon firing is automatic. You need to move the plane around to aim, avoid any damage, rescue people and collect stars and power-ups. After you collect enough stars, you can upgrade your jet with better weapons and armour. Unlike earlier versions, this one has a slightly higher difficulty level. There are multiple enemy units – jets in the air, ships in water and tanks on land – all of them will fire at you. Boss fights are not as simple as before and they'll take time to go down – even with the best of weapon upgrades. However, once you start playing, the game is hard to keep down.

– Karan Bajaj

DOWNLOAD

ShopAll

App for Android
Get it for: Free

The exponential growth of ecommerce has made it difficult to keep track of the shopping website boom. Plus, every portal wants you to download their app on your smartphone (with incentives and discounts for those who do). Now you



can download the apps, but they'll hog up space and resources on your device. With the free ShopAll app, you can access multiple shopping websites from a single interface. There is no registration required to use the app. The main window is split into three parts: shopping, service and

about us. The shopping and service windows neatly display categories of shopping websites (children, fashion, electronics, food, travel and health). Choose a category to see a new page with different ecommerce websites that cater to that particular category. Tapping a website icon takes you to the mobile optimised page of that website and you can start shopping instantly. Note that you won't see the app-only discounts and offers when you shop using ShopAll. Overall, it's a handy app if you can't be bothered with installing individual shopping apps.

– Karan Bajaj

GET

DO

BROWSE

LISTEN

READ

PLAY

Transcend DrivePro 220

Get it for: ₹11,990

A car video recorder, colloquially called a 'dash cam', is a great way to stay safe while driving. It can be proof of your innocence if anything goes awry, can help with insurance claims, can be used to document a road trip and it can even capture incidents that happen right in front of you. Transcend sets itself apart with a high-quality device that includes many features that are normally not found on unbranded devices. The DrivePro 220 is a compact unit with a 2.4-inch colour LCD, built-in GPS, WiFi and a gyro-sensor. The box includes the camera, a generous 16GB microSD card (it supports cards up to 64GB), a suction cup mount, 12V car charger and the user manual. Since GPS is one of the essential aspects of this unit, it needs a clear view of the sky and therefore, needs to be mounted on the windshield of the car.

Transcend has a very neat solution to mount the unit on the car windscreen: the tiny suction cup mount is elegant, unobtrusive and effective. It's also really easy to snap the camera unit on and off (in case you want to remove it when parking at an unknown location). Like most other dash cams, it starts recording when you

start the car. The GPS keeps track of location and speed – GPS data, date and time can be embedded into the video. The camera itself has a fixed f1.8 aperture and fixed lens with a wide 130° viewing angle. It can record high-quality full HD video at 30fps (even at night) – enough to make out licence plate numbers. You can choose to record in 720p HD to fit more video into the same SD card. Here's where Transcend really differentiates itself.

The camera creates its own WiFi network: paired with the DrivePro app on Android or iOS, you can view a live feed from the camera, control camera settings and view previously recorded videos on your portable device. In addition, you can get Transcend's DrivePro Toolbox for a Windows computer to see detailed driving paths of the entire journey plus information

like GPS coordinates, speeds, date and time. The only couple of downsides we found are that the glossy, piano black surface attracts fingerprints and the WiFi doesn't retain its state if you switch off the camera (it needs to be switched on each time). It's expensive, but bundles in a lot of features to justify the price.

– Hitesh Raj Bhagat

